

ASX Announcement

11 August 2022

Another High-Grade Gold Intersection at Blackwood

Highlights

- Another high-grade gold intersection on the Annie Laurie Lode at Blackwood
- Assay highlights:
 - BKD015: 0.80m @ 19.2 g/t Au from 20.2m, including 0.30m @ 27.0 g/t Au from 20.2m
 - In addition to previously reported assay intersection from hole BKD014 of 0.60m @ 20.1 g/t Au¹
- The excellent correlation between Cauldron's drilling and previous underground sampling gives the Company confidence in using these results to guide its exploration program

Blackwood Gold Project

Cauldron Energy Limited (**Cauldron** or the **Company**) (ASX: CXU) is pleased to report a second intersection of high-grade gold in its current diamond drill program at the Blackwood Gold Project in Victoria (Figure 1).

The results from drill hole BKD015 show excellent correlation with results from recent hole BKD014, confirming the westerly dipping, southerly plunging orientation of gold-bearing shoots, which have developed from multiple phases of structural deformation and corresponding injections of gold-rich fluids into the structurally-related dilution zones. Drilling is continuing to target the Annie Laurie reef (Eastern Reefs, Figure 1) from the underground drill access in the Tyrconnel Adit.

Cauldron's Executive Director, Simon Youds, said, "We are thrilled to see that recent results are starting to verify and validate previously sampled high grades of gold at Blackwood. Drilling from our current underground platform, along with having finally overcome the operational challenges we faced, has really allowed us to further progress our understanding of the inherent gold mineralisation system. The continuity of the high-grade shoot between BKD014 and BKD015 is beginning to justify

¹ Refer ASX: CXU Announcement dated 2 August 2022

our current exploration strategy which will help further build the regional-scale exploration model for testing the Blackwood Goldfield”.

Holes BKD015 and BKD014 were positioned either side of the Western Leader Rise to target a zone of high-grade gold sampled in the 1980’s. The results validate the previous results of 2.45m grading 31.3 g/t Au from face sampling.

The excellent correlation between Cauldron’s drilling and previous underground sampling gives the Company confidence in using these results to guide its exploration program.

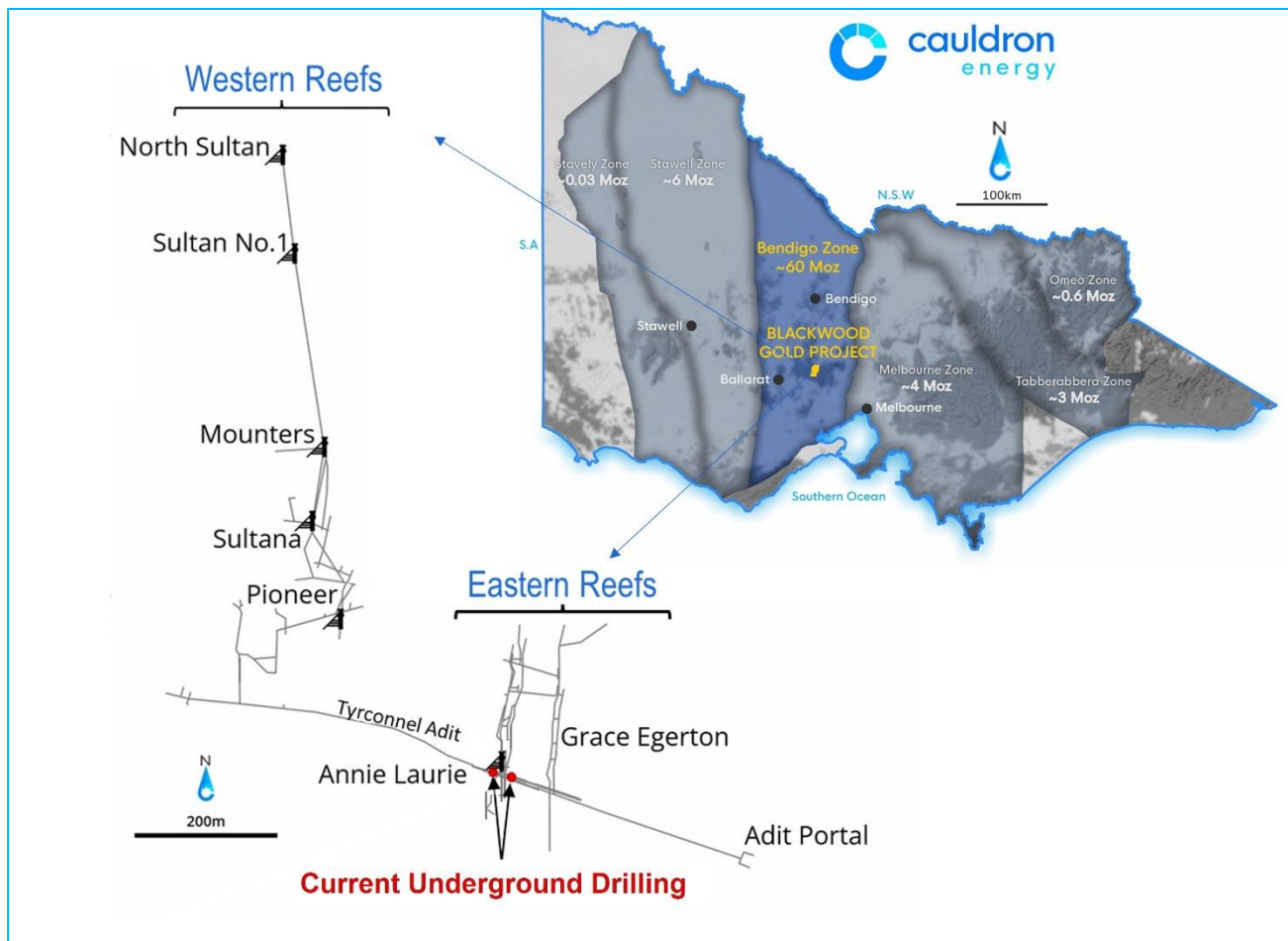


Figure 1: Blackwood Gold Project and Planned Drilling Location Map

Recent Drilling - Annie Laurie Gold Target

Hole BKD015 was drilled from the same underground platform as hole BKD014 but targeted the southern side of the Western Leader Rise and tested the southerly plunge of the high-grade gold shoot previously sampled in the Rise in 1986. BKD014 tested the northern extension of the same high-grade gold shoot. The position of the high-grade mineralisation intersected in both drillholes shows excellent correlation with previous face sampling of 2.45m grading 31.3 g/t Au in the Western Leader Rise, situated approximately 12m vertically below the level of the Tyrconnel Adit and approximately 70m below ground surface.

Geologically, the BKD015 intercept is hosted within a similar zone of broken quartz to that observed in BKD014, containing moderate amounts of sulphide (pyrite, chalcopyrite and galena), in the same structurally complex sequence of folded sandstones, siltstones and graphitic shales (Figure 2).

Results from hole BKD015 were:

0.8m @ 19.2 g/t Au from 20.20 – 21.00m downhole, including 0.30m @ 27.0 g/t Au from 20.20m.

Results from hole BKD013 were also received but did not return any significant gold intersections. Although the target ore shoot was intersected, geological logging of the core indicated a fault gouge interval at the target depth, likely representing an offset of the target ore shoot.



Figure 2: Diamond drillhole BKD015 - High-Grade, Quartz-Hosted Gold Intercept Outlined (20.2 – 21.0m, 0.80m @ 19.2 g/t Au including 0.30m @ 27.0 g/t Au from 20.2m)

Cauldron aims to expand and demonstrate the full potential of the Blackwood Goldfield over time, with the drill campaign at the Eastern Reefs being just the first step of the work program.

Historic production at Blackwood totalled more than 200,000 ounces of gold from a number of shafts with extensive underground workings limited to above the water table in most areas (Figure 4). Therefore, the potential for defining a multi-million ounce gold endowment at depth at Blackwood is very good.

ENDS

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

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Competent Persons Statement:

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Ms Asha Rao, Exploration Manager of Cauldron Energy Limited. Ms Rao is a Competent Person 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 consents to the inclusion in this report of the matters based on this information in the form and context in which they appear.

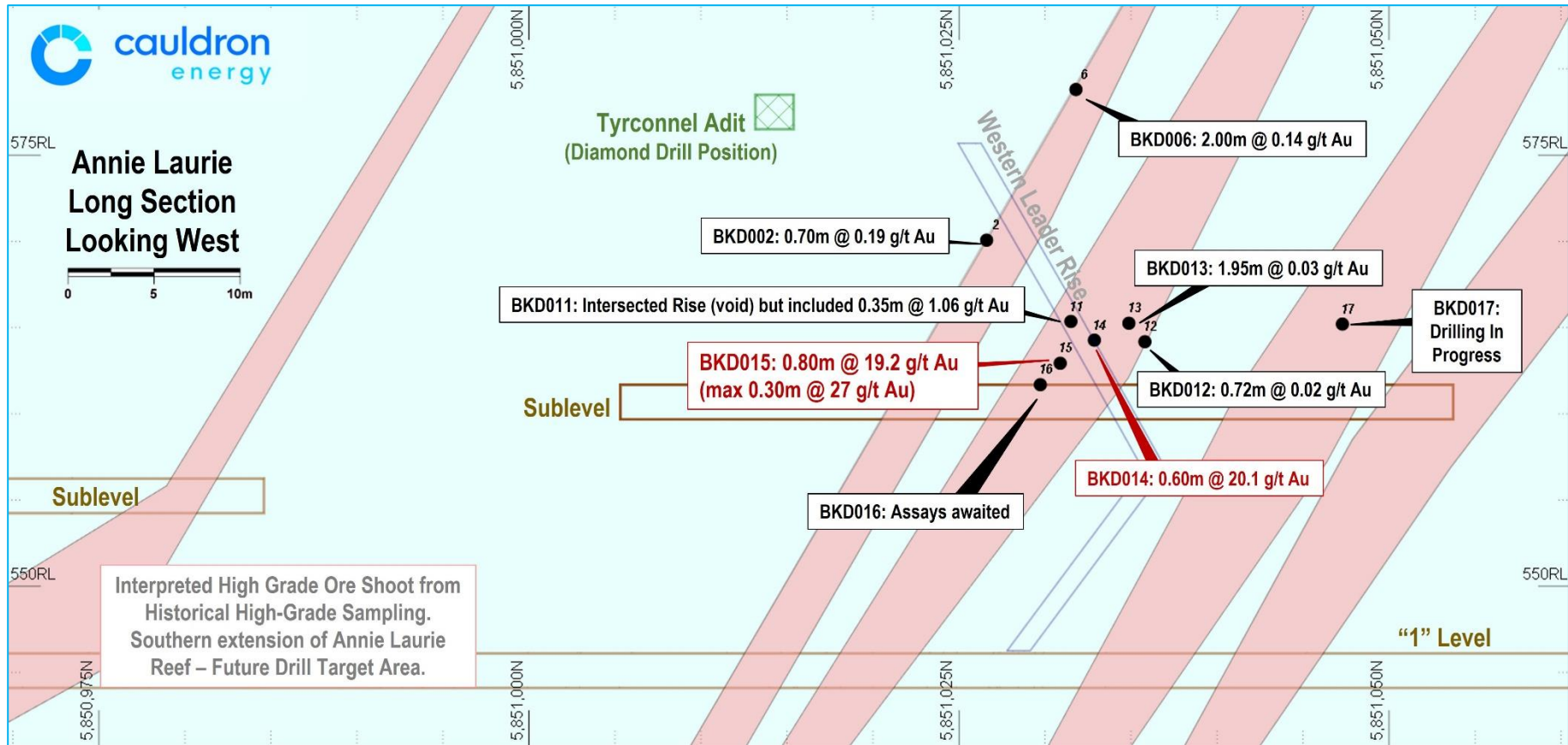


Figure 3: Long Section View of the Annie Laurie Reef and Interpreted High-Grade Ore Shoots, based on High-Grade Previous Face Sampling

PLAN + SECTION - BARRYS REEF UNDERGROUND

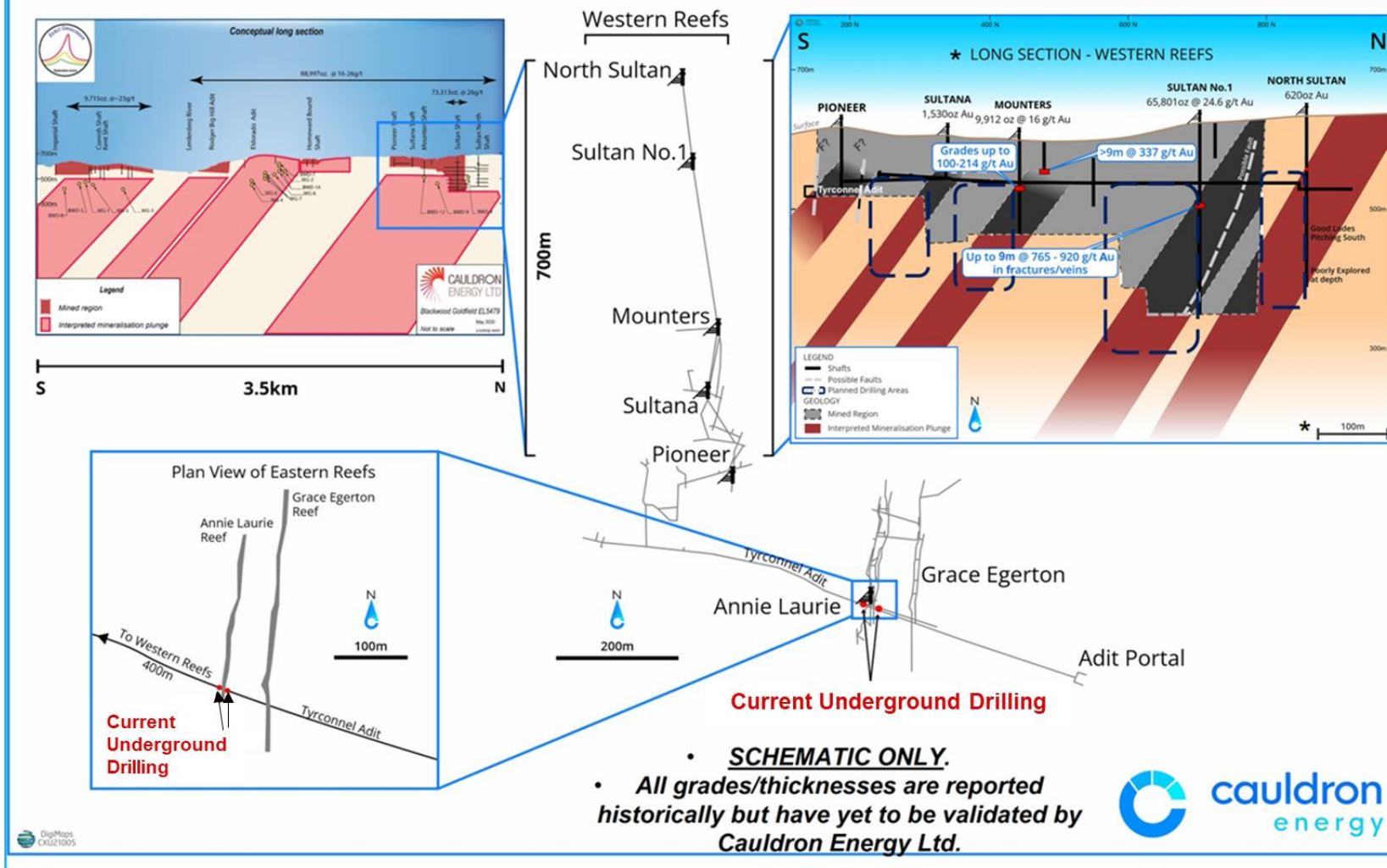


Figure 4: Barry's Reef (Blackwood) Underground Workings – Western Reef System

APPENDIX 1
Table 1: Blackwood Gold Project – New Diamond Drilling Intercepts* BKD011 – 17

HOLE	East_MGA	North_MGA	RL	End of Hole Depth (m)	Azimuth (°)	Dip (°)	Intercept		Intercept Width (m)	Intercept Description	Comment
							Depth From (m)	Depth To (m)			
BKD011	260884	5851024	579	19.85	59	-45	19.50	19.85	0.35	0.35m @ 1.06 g/t Au	Intersected target reef at 17.80m. Intersected Rise (void) but included intercept as recorded.
BKD012	260884	5851024	579	23.80	45	-43	20.78	21.50	0.72	0.72m @ 0.02 g/t Au	Intersected the edge of the intended target zone
BKD013	260884	5851024	579	22.50	51	-40	8.50	10.45	1.95	1.95m @ 0.03 g/t Au	Intersected target reef at 18.75m with fault zone. Reported interval in oxidised quartz breccia 8 - 10m shallower up-hole.
BKD014	260884	5851024	579	23.70	54	-46	20.80	21.40	0.60	0.60m @ 20.1 g/t Au	Intersected target reef at 20.80m
BKD015	260884	5851024	579	23.75	58	-53	20.20	20.50	0.30	0.30m @ 27 g/t Au	Intersected target reef at 18.50m. Total intercept of 0.80m @ 19.2 g/t Au
							20.50	21.00	0.50	0.50m @ 11.4 g/t Au	
BKD016	260884	5851024	579	20.90	58	-60	Assays Pending			Abandoned at 20.90m. Intersected Cavity, did not intersect target reef. Samples in the lab, assays awaited	
BKD017	260884	5851024	579	25.00	30	-45	Drilling In Progress				

* subject to minimum thickness of 0.3m and 0.01 g/t Au

APPENDIX 2 – JORC TABLE 1, SECTIONS 1 – 2

JORC Table 1: Section 1 Sampling Techniques and Data

Criteria of JORC Code 2012	Reference to the Current Report
	Comments / Findings
<i>Sampling techniques</i>	<p>Current diamond drilling has been designed using previous data from work completed between 1981 and 1989. Due to the historic nature of these data, it is not always possible to comment on the accuracy or quality of the gold grades derived from geochemical assay analysis.</p> <p>Drilling undertaken by Cauldron Energy Ltd since December 2021 has utilised the Kempe compressed air drilling equipment. Sampling is undertaken on a variety of lengths dependent on geological contacts in order to avoid crossing lithological boundaries. For drillholes BKD001 to BKD010, and in downhole areas where core recovery has been extremely poor (prior to June 2022), sludge samples were obtained at half metre intervals from fines material collected at the collar of the hole. The results are considered indicative for gold, but more focus has been placed on the other geochemical pathfinder elements that can be used to vector for gold mineralisation.</p>
<i>Drilling techniques</i>	<p>Drilling undertaken by Cauldron Energy Ltd since December 2021 has utilised the Kempe compressed air drilling equipment. A total of 9 holes for 143 drilled metres have been completed, courtesy of MAGMOS Holdings Australia (Dec 2021), and EDrill Australia together with East West Drilling and Mining Supplies (drilling since April 2022).</p>
<i>Drill sample recovery</i>	<p>Core recovery in holes drilled by Cauldron Energy Ltd has been poor due to the frequent, unpredictable intersections of broken, incompetent ground and unsurveyed previously mined voids. Much of the core drilled comprised softer shale and siltstone lithologies which were ground away by the harder quartz veining and sandstone material, leaving behind a mixture of sludge, or open-hole material.</p> <p>Since June 2022, drilling techniques in all holes drilled By Cauldron Energy Ltd have significantly improved resulting in core recoveries surpassing 95% (and often 100%) in all holes, irrespective of the lithologies or ground conditions.</p>
<i>Logging</i>	<p>Geological logging for all holes drilled by Cauldron Energy Ltd has been undertaken on a systematic basis, detailing lithology types, alteration, oxidation, mineral types, colour, weathering and structural elements. Since June 2022, the significant improvements in core recovery are allowing all structural features to be measured for future structural modelling.</p>
<i>Sub-sampling techniques and sample preparation</i>	<p>For holes drilled by Cauldron Energy Ltd, any core recovered from holes BKD001 to BKD010 have been sampled as half-core and achieved by cutting with a diamond blade. The sludge, or open-hole, samples were collected by spear in order to reduce the amount of potential contamination at the bottom of BKD005.</p> <p>Following the significant improvements in core recovery for holes BKD011 to BKD015, sampling has involved orientating the drillcore using observable foliations and cleavage planes in the sandstone and using this orientation line to cut the core using a diamond blade. Samples have been collected on the same half-core basis.</p>
<i>Quality of assay data and laboratory tests</i>	<p>Cauldron's QAQC procedure is to insert Standards, Blanks and Duplicate samples every 20th sample, alternating between the 3 QAQC types, throughout the sample suite collected at the time. However, for the December 2021 drilling, due to the poor recovery of the core and abandonment of the holes, there were not enough samples to insert all three QAQC sample types. Thus, Standard samples (OREAS 235 and 250B) were inserted every 20th sample as a check for the lab.</p>

	<p>Samples were submitted to Bureau Veritas in Adelaide, and tested using:</p> <ul style="list-style-type: none"> ➤ Fire Assay (FA001, 40g) – gold assay ➤ Mixed Acid Digest (4-acid, MA102) – multielement assaying for Ag, As, Cu, Pb, Zn, Sb, Bi, Co, Ni, Mo ➤ Mixed Acid Digest (MA101) – multielement assaying for Cr ➤ Aqua Regia – Hg
<i>Verification of sampling and assaying</i>	Samples collected by Cauldron have been geologically logged with the sample selection carefully recorded on company-owned, digital logging sheets. All core recovered was appropriately measured and marked using core blocks and metre marks by Cauldron personnel. Thus, samples collected are as accurate and as representative as can be possible, given the nature of the drilling and the problems faced with recovering drill core.
<i>Location of data points</i>	Preparation for the current drillholes included the surveying of the proposed hole collars by Malkin Consulting Pty Ltd (Melbourne-based). Underground surveying was completed by the establishment of survey pins in the Tyrconnel Adit and at surface. Data were collected using the Geodetic Datum of Australia (GDA94), Zone 55. Collar locations for the various drillholes are based on measurements from the above established datum and will be validated by survey in due course.
<i>Data spacing and distribution</i>	Cauldron's drilling samples have been collected on varying interval thicknesses based on lithology and alteration characteristics, between 0.10 and 3.00 metres.
<i>Orientation of data in relation to geological structure</i>	All diamond drilling undertaken by Cauldron Energy Ltd have been designed on a variety of azimuths between 045 and 325 degrees from north. Hole inclinations are also variable between -2 and -85 degrees down from horizontal.
<i>Sample security</i>	All data collected by Cauldron is stored digitally and online using the Company's Blackwood Microsoft Teams, cloud-based, shared network and is backed up regularly onto the Company's Perth server. Access to this data room is via company accounts only, requiring login details and thereby assuring data security.
<i>Audits or reviews</i>	All data collected is reviewed in the field and in the office. No audit has yet taken place.

JORC Table 1: Section 2 Reporting of Exploration Results

Criteria of JORC Code 2012	Reference to the Current Report Comments / Findings
<i>Mineral tenement and land tenure status</i>	The Blackwood Gold Project comprises one Exploration Licence (EL) 5479 and is subject to a Joint Venture Agreement between Cauldron Energy Ltd (51%) and Blackwood Gold Mines Pty Ltd (49%).
<i>Exploration done by other parties</i>	<p>The Blackwood Gold Project and surrounding areas have been systematically explored, drilled and mined since the 1850s. Modern drilling and mining activities recommenced in the local area in the early 1970s.</p> <p>Modern exploration, drilling and small-scale mining activities have been undertaken since 1981, commencing with Endeavour Resources NL undertaking a surface geological mapping program. The following drilling and sampling programs have been completed previously:</p> <ul style="list-style-type: none"> - 1981 – Carpentaria Exploration Company Pty Ltd (CEC): 6 holes for a total 1,056.1 metres (DD), and 34 samples collected.

	<ul style="list-style-type: none"> - 1981 – 1982 – Endeavour Resources NL: 11 holes for a total 2,104.62 metres (DD), and 201 samples collected. - 1986 – 1987 – Western Gulf Oil and Mining Ltd: 9 holes for a total 1,613.4 metres (DD). The number of samples collected is unknown. - 1986 – 1989 – Triad Minerals NL: 9 holes for a total 255 metres (RC), and 255 samples collected. - 1988 – 1989 – Dome Resources NL: 26 holes for a total 1,009 metres (RC), and 998 samples collected. - 1989 – NORD Resources (Pacific) Pty Ltd: 12 holes for a total 771 metres (RC), and 387 samples collected. <p>In 1997, New Holland Mining NL undertook a relogging and resampling exercise to test for lower-grade gold mineralisation in areas previously untested by Endeavour Resources. This program involved the collection of 267 samples.</p>
<i>Geology</i>	<p>Gold mineralisation at Blackwood is hosted within the following:</p> <ul style="list-style-type: none"> - quartz-rich reef systems and laminated quartz veins in folded turbidite sequences of Ordovician-aged sediments. - Mineralised structures typically have a north-south strike orientation and a generally westerly dip, being either parallel or oblique to bedding. - Reef development appears to have occurred by intersection of high-angle faults sub-parallel to the fold axes. - Younger, oblique faulting and low-angle reverse fault structures seem to crosscut, offset and terminate mineralised structures. - Expansion of reef widths and enrichment of existing gold mineralisation occurs within southerly plunging ore “shoots”.
<i>Drill hole Information</i>	<p>Detailed drill logs, downhole surveys and coordinates in the form of local grids are available. However, no records have yet been found relating to drilling rates, rig designs, pre-collar depths etc.</p> <p>All new drillhole information collected is in Geodetic Datum of Australia (GDA94), zone 55. Detailed downhole information is stored digitally on the cloud-based Microsoft Teams network and is backed up regularly onto the Company’s Perth server.</p>
<i>Data aggregation methods</i>	<p>Drilling data have been averaged over mineralised reef widths rather than the pre-selection of high-grade zones within those mineralised intervals. No data aggregation methods or high-grade top cuts have been applied.</p>
<i>Relationship between mineralisation widths and intercept lengths</i>	<p>The geometry of the mineralisation in the reef and structure systems relative to the drilling samples collected is still being established. Drilling aims to intersect mineralisation at right angles if possible. True widths may be less than intercept widths.</p>
<i>Diagrams</i>	<p>Appropriate and relevant diagrams have been included in the body of this announcement.</p>
<i>Balanced reporting</i>	<p>Balanced reporting has been adhered to. The company has reported all significant results, both positive and negative.</p>
<i>Other substantive exploration data</i>	<p>Gold mineralisation of significant economic grade and tenor is still considered to be open down-plunge and dip below the water table to the various reefs referred to herein.</p>
<i>Further work</i>	<p>Exploration will continue with the aim to validate previously high-grade gold mineralisation within the Annie Laurie Reef.</p>