

## Quarterly Report Period Ending 30 September 2022

### HIGHLIGHTS

#### Blackwood Gold Project

- Underground diamond drilling on the Annie Laurie Lode has intercepted quartz-bearing gold lodes. Best intercepts were:
  - Hole BKDD014, **0.60m @ 20.1 g/tAu**, and
  - Hole BKDD015, **0.80m @ 19.2 g/tAu**
- Underground drilling program now complete with results being assessed
- Options for exploration going forward being assessed

#### Yanrey Uranium Project

- The Bennett Well deposit contains **greater than 30 million lb of uranium oxide** and remains **one of the largest** undeveloped uranium deposits in Australia
- The Company is reviewing all project data to consider ways of progressing the project towards eventual development and production

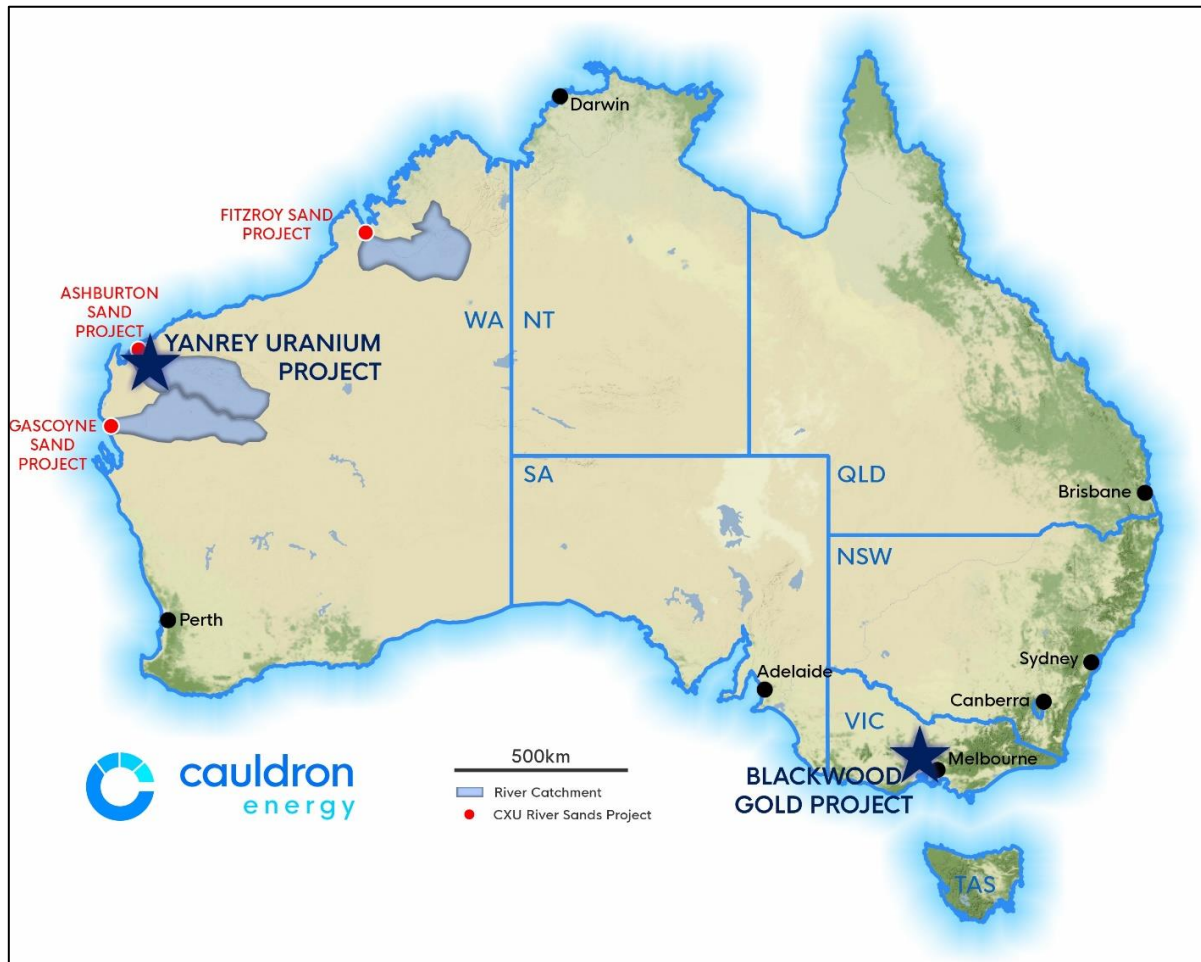
#### Corporate

- Cash on hand at the end of the quarter was \$0.24 million, with liquid assets (shares in other companies) valued at \$0.30 million

### BLACKWOOD GOLD PROJECT

The 24 km<sup>2</sup> Blackwood Goldfield project (Figures 1 and 2) is located southeast of Daylesford, in the highly prospective Central Victorian Goldfields. From 1864 to 1960, the Blackwood Goldfield produced about 218,000 ounces of gold.

A schematic long section of the Western Reef workings shows historically reported fractured vein systems of up to 9m in thickness, containing grades of up to 920 g/t gold (Au) within the Western Reef system (Figure 3).



**Figure 1: Cauldron Energy Project Map**

An underground diamond drilling campaign was commenced in late 2021 but encountered difficulties with ground conditions in the Adit being used for access. In addition, a suitable drilling rig and operator had to be sourced, with the result that effective drilling was only achieved during the June and September 2022 quarters.

The program of ~20 holes was designed to test several potential gold-bearing shoots at the Annie Laurie Lode (see Figure 4). Several holes were lost due to poor ground conditions, but three holes on Shoot 'B' were successful in intersecting high-grade gold:

BKDD014, **0.60m @ 20.1 g/tAu** from 20.8m downhole\*,

BKDD015, **0.8m @ 19.2 g/tAu** from 20.2m downhole\*, and

BKDD020, **0.25m @ 4.4 g/tAu** from 19.65m downhole\*.

*\* Because the holes were drilled from underground, the downhole depth is not the depth below surface, which is ~100m. Full results are listed in Table 1.*

Hole BKDD016 was re-drilled as BKDD016A and intersected a quartz vein with similar characteristics to the holes listed above (Figure 5). Assays are awaited. The drilling program is now complete and the equipment off hired while results are reviewed.

Compared to other Victorian Goldfields and operations (such as at Ballarat and Bendigo), the Blackwood Goldfield is relatively unexplored and undeveloped. Based on historical figures

and the extent of old workings at Blackwood and current workings at adjacent goldfields, potential for million ounce plus endowment exists.

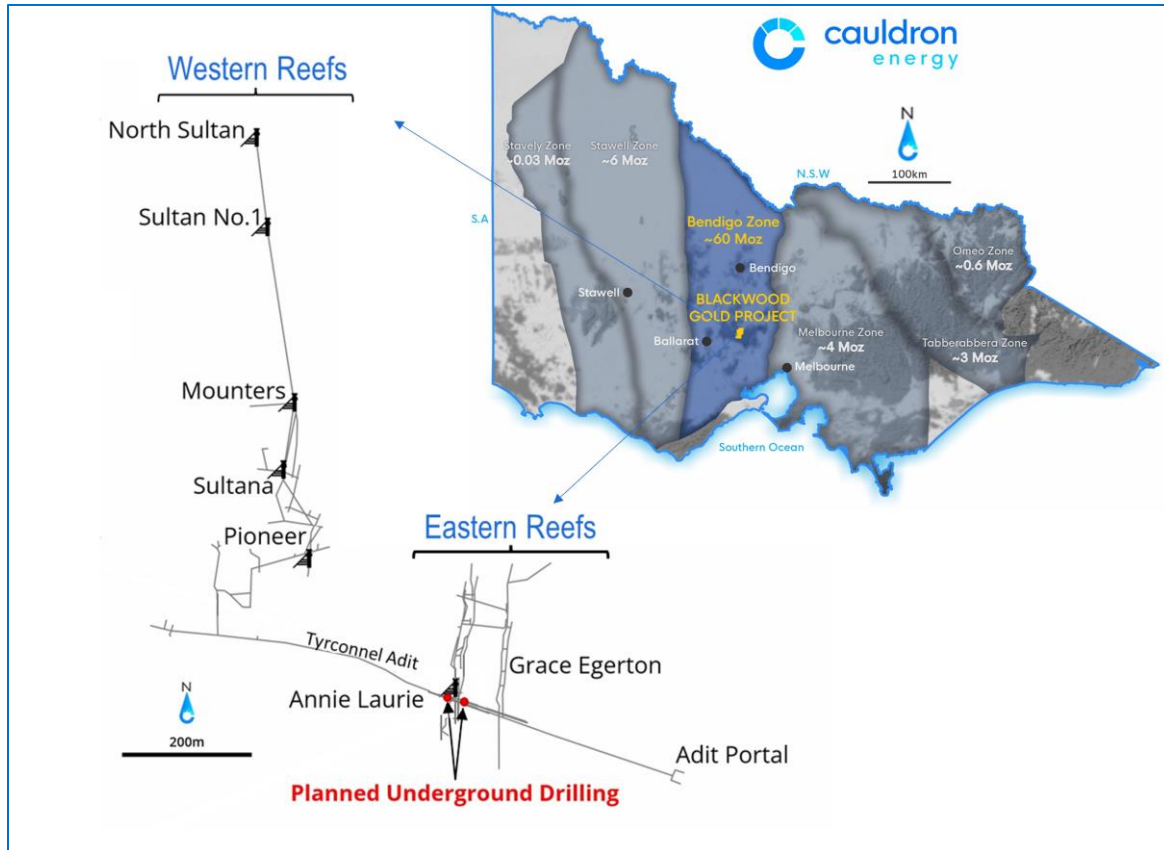


Figure 2: Blackwood Gold Project Location Map

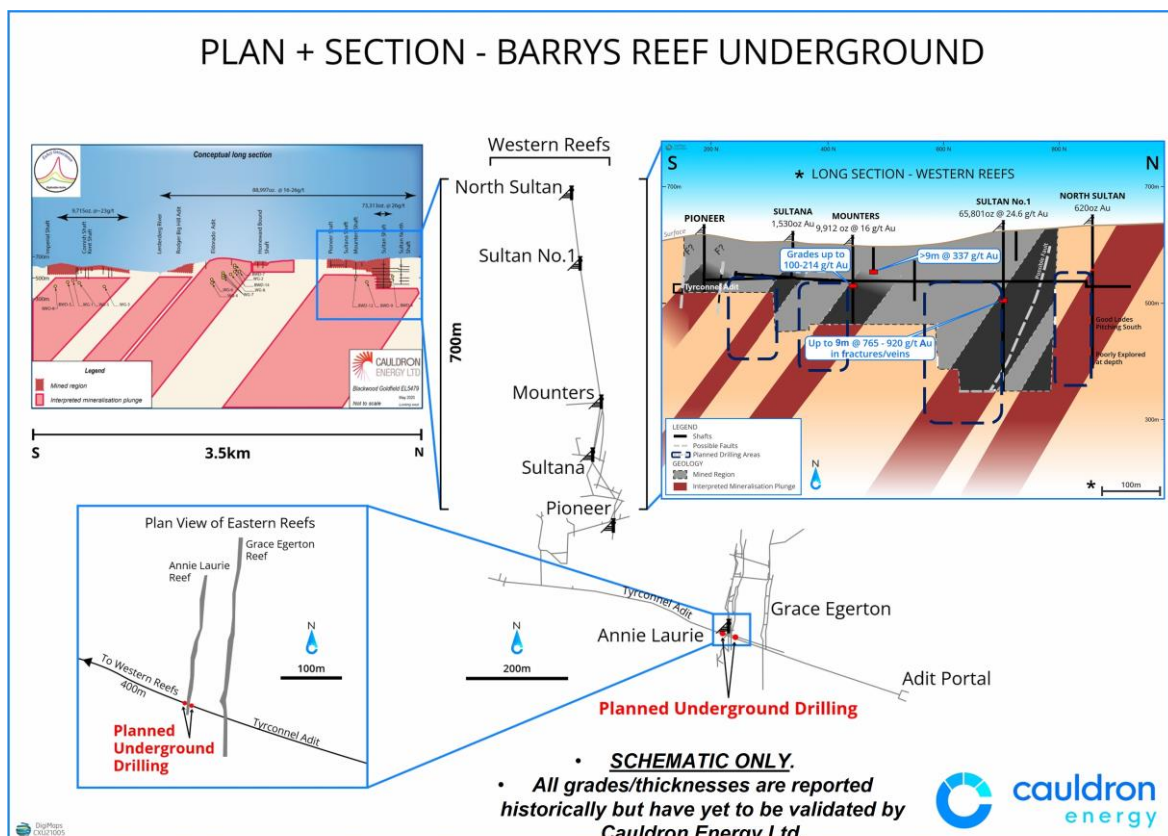


Figure 3: Barry's Reef (Blackwood) Underground Workings – Western Reef System

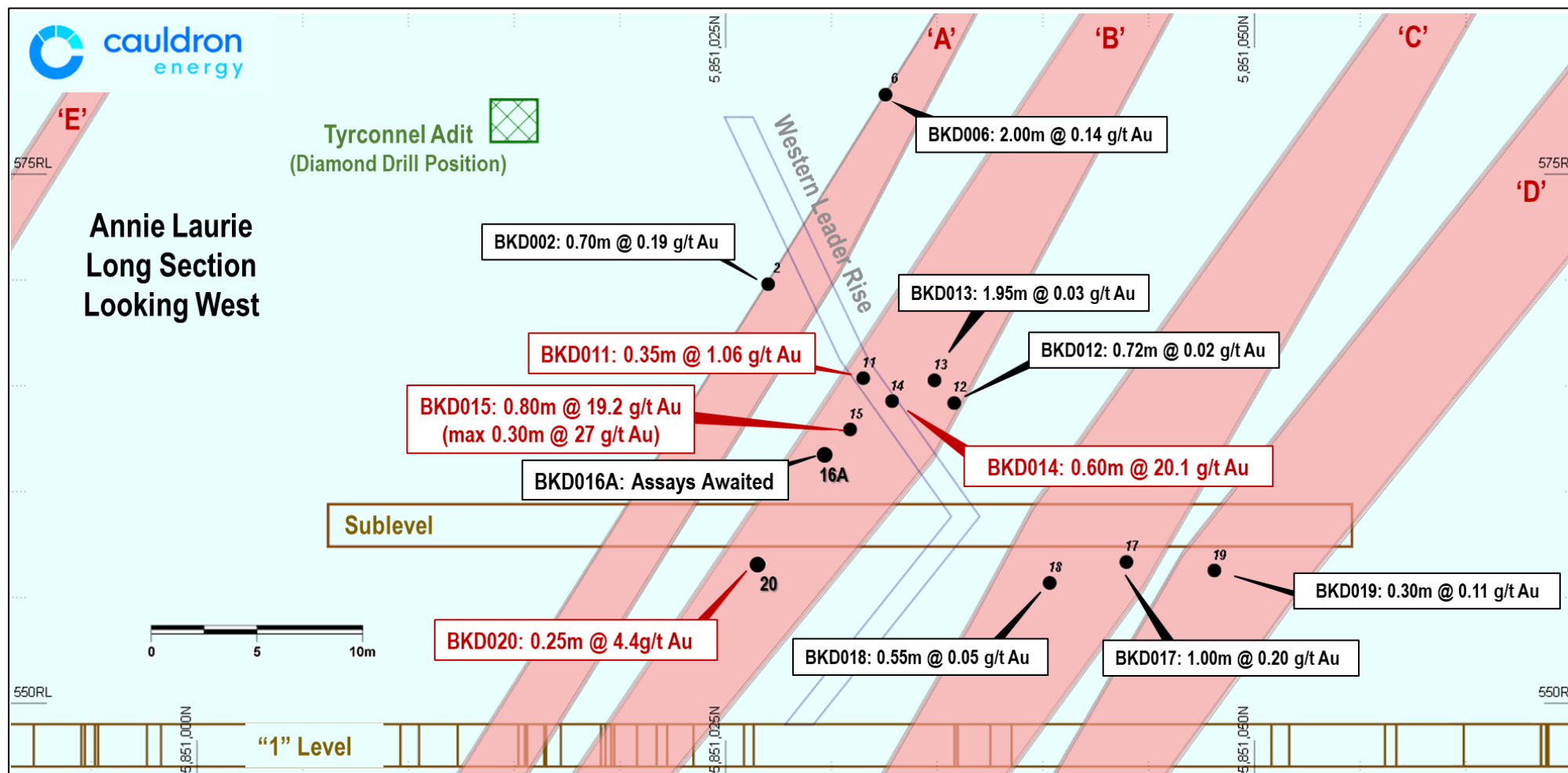


Figure 4: Updated Long Section Image of the Annie Laurie Reef and Current Underground Drilling with Assays. Reef shoots labelled 'A' to 'E'.

**Table 1: Blackwood Gold Project – Diamond Drilling Intercepts for all holes BKD001 – 20. BKD016A assays are expected early November 2022**

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)			
BKD001	260911	5851016	578	15.40	303	-26	-	-	-	-	Did not intersect intended target reef.
BKD002	260910	5851016	577	20.35	307	-22	14.60	15.30	0.70	0.70m @ 0.19 g/t Au	Intersected the edge of a lower grade, shallower, reef.
BKD003	260906	5851017	578	9.00	320	-25	-	-	-	-	Did not intersect intended target reef.
BKD004	260907	5851017	578	5.30	325	-40	-	-	-	-	Did not intersect intended target reef.
BKD005	260906	5851017	578	17.70	320	-35	13.70	15.70	2.00	2.00m @ 1.34 g/t Au	Did not intersect intended target reef, but intersected mineralisation at shallower depth.
BKD006	260884	5851024	579	24.80	58	-2	22.00	24.00	2.00	2.00m @ 0.14 g/t Au	Intersected the edge of a lower grade, shallower, reef and Annie Laurie drive.
BKD007	260884	5851024	579	25.25	50	-20	21.55	22.55	1.00	1.00m @ 0.69 g/t Au	Did not intersect intended target reef, but intersected mineralisation at shallower depth.
BKD008	260884	5851024	579	18.30	90	-65	-	-	-	-	Did not intersect intended target reef.
BKD009	260884	5851024	579	13.30	90	-30	-	-	-	-	Did not intersect intended target reef.
BKD010	260884	5851024	579	9.30	90	-85	-	-	-	-	Did not intersect intended target reef.
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	<b>0.60m @ 20.1 g/t Au</b>	Intersected target reef at 20.80m
							22.00	23.40	1.40	1.40m @ 0.71 g/t Au	
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 <b>0.80m @ 19.2 g/t Au</b>
							20.50	21.00	0.50	0.50m @ 11.4 g/t Au	
BKD016	260884	5851024	579	20.90	58	-60	Intersected Cavity at 20.30m and abandoned hole after several attempts to pass through that cavity. Abandoned at 20.9m				
BKD017	260884	5851024	579	33.10	30	-45	20.50	22.50	2.00	2.00m @ 0.08 g/t Au	Intersected reefs above workings. Hit sublevel but drilling successfully persevered through to intersect quartz reefs below working. No grade below sublevel.
							23.20	24.20	1.00	1.00m @ 0.2 g/t Au	Intersected sulphidic black shales above the sublevel, in hanging wall of reef
BKD018	260884	5851024	579	33.65	30	-52	31.55	32.10	0.55	0.55m @ 0.05 g/t Au	Intersected interpreted quartz reefs above Annie Laurie, anomalism on contact with quartz vein



BKD019	260884	5851024	579	37.00	30	-40	23.7	24	0.30	0.30m @ 0.07 g/t Au	Intersected Annie Laurie at 34.5m. Low-grade anomalism on quartz vein contacts above reef structure
							31.5	31.8	0.30	0.30m @ 0.11 g/t Au	
BKD020	260884	5851024	579	32.90	80	-65	6.7	7.4	0.70	0.70m @ 0.15 g/t Au	3.3 METRE QUARTZ VEIN INTERSECTED, UNUSUAL IN CONTINUITY AND NOT SEEN BEFORE, WITH 1 METRE CAVITY IN THE QUARTZ ZONE.
							19.65	19.9	0.25	0.25m @ 4.40 g/t Au	
BKD016A	260884	5851024	579	21.20	58	-63	AWAITING ASSAYS				Drilling completed. Hole terminated at 21.2m after passing through broken quartz zone, sulphidic, black shale clasts, oxidation - similar characteristics to the high-grade intersections in BKD014 and BKD015



Figure 5: Recovered drill core from BKD016A, showing the quartz reef of interest between 17.80 and 19.05m

## YANREY URANIUM PROJECT

The Yanrey Uranium Project contains the Bennett Well Uranium Deposit in four spatially separate domains and is regionally prospective for large sedimentary-hosted uranium deposit systems that are amenable to mining by the In Situ Recovery (ISR) technique. These deposits occur in unconsolidated sands (less than 100m depth) in Cretaceous sedimentary units of the North Carnarvon Basin.

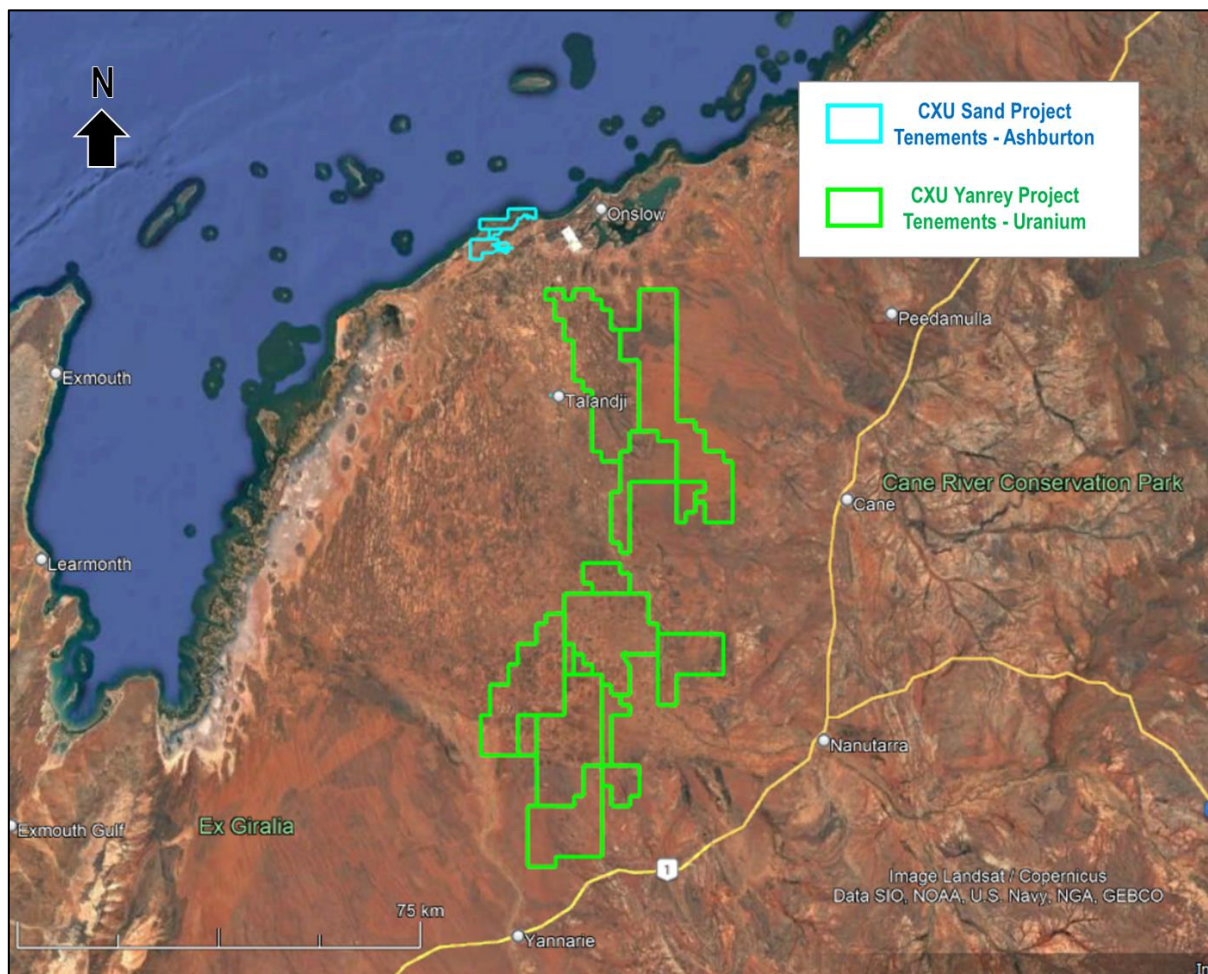
The JORC 2012 Mineral Resource Estimate for Bennett Well at a 150 ppm  $eU_3O_8$  cut-off is:

Inferred: 16.9 Mt @ 335 ppm  $eU_3O_8$  for 12.5 Mlb (5,670 t) contained uranium oxide  
Indicated: 21.9 Mt @ 375 ppm  $eU_3O_8$  for 18.1 Mlb (8,230 t) contained uranium oxide

**TOTAL: 38.9 Mt @ 360 ppm  $eU_3O_8$  for 30.9 Mlb (13,900 t) contained uranium oxide**

The Company is reviewing the data that has been collected on Bennet Well, including metallurgical testwork, to assess ways of progressing the project towards development.

Historical work performed by Cauldron reinforces the Yanrey region as an emerging uranium province, containing potentially significant, as-yet undiscovered, economic uranium resources.



**Figure 6: Yanrey Uranium Project Location (Western Australia)**

There were no substantive exploration activities conducted at Yanrey during the quarter.

## WA SANDS PROJECT

The Company is reviewing ways to monetise its investment in these tenements and will provide further information at the appropriate time.

There were no substantive exploration activities conducted at the WA Sands Project during the quarter.

## EXPLORATION EXPENDITURE

In accordance with the requirements of ASX Listing Rule 5.3.1 the Company advises that during the quarter ended 30 September 2022 it expended a total of \$362K on exploration and evaluation activities, inclusive of tenement holding costs, across its Blackwood Gold Project (\$246k), Yanrey Uranium Project (\$54k) and its WA Sands Project (\$62k). The costs incurred were in relation to tenement holding costs: \$108k, salaries: \$64k, consultants: \$48k, drilling and associated costs: \$122k, assay costs: \$3k, and miscellaneous expenses: \$17k.

## CORPORATE

### Cash Position

The Company's closing cash position at the end of September 2022 was \$0.24m, with liquid assets (shares in other ASX listed companies) valued at \$0.30 million.

The Board regularly evaluates market appetite for equity investment and manages its capital and operations accordingly. The Board anticipates it will be able to access funding as required either from internal or external parties and, to this end, is in regular communication with brokers. The Company will update the market of any steps it decides to take at the appropriate time.

### Short Term Loan Facility

In August 2022, the Company received a short-term loan facility of \$500,000 from Director Derong Qiu.

The key terms of the new loan facility are as follows:

Loan Amount: A\$500,000

Interest Rate: 8% per annum

Default Interest Rate: 20% per annum

Term: 6 months Repayment Terms: Repayable in cash or by the issue of fully paid ordinary shares at a price of 0.7 cents per share, subject to shareholder approval.

The conversion price of 0.7 cents per share was determined as a 25% discount to the 30-day VWAP covering the period 27 June 2022 through to 5 August 2022.

### Director Appointment / Resignation

On 7 September 2022, Mr Simon Youds resigned as a Director with immediate effect and was replaced by Michael Fry.

Mr Fry is an experienced public company director and senior executive who has been involved in the mineral resources mining and exploration industries for over twenty years, and is the current Chief Financial Officer and Company Secretary of Cauldron.



### Related Parties

In accordance with the requirements of ASX Listing Rule 5.3.5 the Company advises that during the quarter ended 30 September 2022 payments totalling \$84k (excl. GST) were made to directors of the Company and their associates in respect to their directors' fees and consulting fees, comprising: Ian Mulholland: \$15k, Simon Youds: \$60k, Michael Fry: \$9k.

This report has been authorised for release by Michael Fry – Director/Company Secretary.

For further information please contact: Michael Fry on +61 417 996 454.

### **Competent Persons Statements:**

#### **Resource Statements**

The information in this report that relates to Mineral Resources for the Bennett Well Deposit is extracted from a report released to the Australian Securities Exchange (ASX) on 17 December 2015 titled "Substantial Increase in Tonnes and Grade Confirms Bennet Well as Globally Significant ISR Project" and available to view at [www.cauldronenergy.com.au](http://www.cauldronenergy.com.au) and for which Competent Persons' consents were obtained. Each Competent Person's consent remains in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The Company confirms that is not aware of any new information or data that materially affects the information included in the original ASX announcement released on 17 December 2015 and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original ASX announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original ASX announcement.

#### **Exploration Results**

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.

## APPENDIX D

### Schedule of Tenements

Mining tenements held as at 30 September 2022, including tenements acquired and disposed of during the quarter:

Tenement	Project	Tenement Holder	Acquired interest during the quarter	Disposed interest during the quarter	Interest at end of quarter
E08/1489	Yanrey	Cauldron Energy	-	-	100%
E08/1490			-	-	100%
E08/1493			-	-	100%
E08/1501			-	-	100%
E08/2017			-	-	100%
E08/2081			-	-	100%
E08/2205			-	-	100%
E08/2385			-	-	100%
E08/2386			-	-	100%
E08/2387			-	-	100%
E08/2774			-	-	100%
E08/3088			-	-	100%
E08/3520			-	-	100%
E08/3521			-	-	100%
E08/2328	Onslow	Cauldron Energy	-	-	100%
E08/2329		Cauldron Energy	-	-	100%
E08/2642		Cauldron Energy	-	-	100%
L08/71		Cauldron Energy	-	-	100%
M09/96		Cauldron Energy	-	-	100%
M08/487		Quarry Park	-	-	100%*
P08/798		Cauldron Energy	-	-	100%
P08/800		Cauldron Energy	-	-	100%
E09/2715	Carnarvon	Cauldron Energy	-	-	100%
M09/180		Onslow Resources	-	-	100%*
E04/2548	Derby	Rand Mining	-	-	100%*
EL 5479	Blackwood	Blackwood Gold JV	-	-	51%*

\* Cauldron Energy beneficial interest

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Cauldron Energy Limited

ABN

22 102 912 783

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(362)	(362)
	(b) development		
	(c) production		
	(d) staff costs	(39)	(39)
	(e) administration and corporate costs	(78)	(78)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)	(17)	(17)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(496)</b>	<b>(496)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation		
	(e) investments		
	(f) other non-current assets		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
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>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	500	500
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>500</b>	<b>500</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	236	236
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(496)	(496)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	500	500



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	240	240

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	240	240
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)		

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	84
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	<b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	500	500
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>	500	500
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p>In August 2022, Director Derong Qiu provided a short term loan facility of \$500,000, refer ASX announcement of 10 August 2022, which was fully drawn down at 30 September 2022.</p> <p>The key terms of the short-term loan facility are as follows:</p> <p>Facility Limit: A\$500,000</p> <p>Drawdowns: Limit of A\$100,000 per drawdown</p> <p>Interest Rate: 8% per annum</p> <p>Default Interest Rate: 20% per annum</p> <p>Term: 6 months from first drawdown date</p> <p>Repayment: Repayable in cash or by the issue of fully paid ordinary shares at a price of 0.70 cents per share, subject to shareholder approval which has not yet been obtained.</p>		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	496
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	
8.3	Total relevant outgoings (item 8.1 + item 8.2)	496
8.4	Cash and cash equivalents at quarter end (item 4.6)	240
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	240
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	0.48
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No, the current phase drilling was completed at Blackwood Gold Project in mid-October 2022, so costs are expected to be markedly lower this next quarter.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Board regularly evaluates market appetite for equity investment and manages its capital and operations accordingly. The Board anticipates it will be able to continue to access funding as required and, to this end, it is considering further fund raising from internal and external parties. It will update the market of any steps it decides to take at the appropriate time.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes on the basis of 8.8.2 above and also the fact the Company holds shares in other ASX listed entities which it may sell to supplement its cash reserves. As at the date of this report, the value of its portfolio of shares in other ASX listed entities is worth ~\$300k.

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

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

31 OCTOBER 2022

Date: .....

MICHAEL FRY – DIRECTOR, CFO & COMPANY SECRETARY

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.