

1 July 2015

## RESOURCE UPDATE AND BENNET WELL DRILLING TO RECOMMENCE

### HIGHLIGHTS

- Research and Development refund of A\$0.8 million received
- Cauldron receives A\$2 million placement funds from Director and major long term Chinese shareholder Mr Derong Qiu
- Underlines strong shareholder confidence in the Company as the demand for nuclear power grows in China
- Cauldron intends to immediately complete a Bennet Well resource update based on results of drill campaign from late 2014
- Receipt of funding allows the Company to resume its Bennet Well Drill Program

As previously announced, Australian resources company, Cauldron Energy Limited (**ASX: CXU**) (**Cauldron** or the **Company**) entered into a series of placement agreements (**Placement Agreement/s**) with a range of Chinese investors. Cauldron's Non-executive Director Mr Derong Qiu was a party to a Placement Agreement for placement funds of A\$2 million (**Placement Funds**) at an issue price of \$0.118 per share (16,949,178 shares). As detailed in the Company's March 2015 Quarterly Report, Mr Qiu was granted a short-term extension of the due date of the Placement Funds from 28 February 2015 to 30 June 2015.

Cauldron is pleased to confirm it has received A\$1.71 million in cash from Mr Qiu, with the balance of A\$0.29 million planned to settle outstanding director fee payments owing to Mr Qiu in respect of his past services (together, A\$2 million). In accordance with the Placement Agreement, the shares to be issued to Mr Qiu are subject to shareholder approval. The cash component of the Placement Funds received will be held in trust by the Company until shareholder approval is obtained and the shares issued.

Mr Qiu's investment underlines the continued interest and confidence in the uranium industry from China and the growing interest in existing uranium resources.

China's confidence in uranium resources is understood by the Company to be based on the exponential growth in nuclear power both in China and in the developing world. The published Chinese plans to expand its nuclear power base from the current approximate 2% of total energy mix to above 20% represents a

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**ASX code:** CXU

251,104,266 shares  
55,500,000 unlisted options

### **Board of Directors**

Tony Sage  
Executive Chairman

Qiu Derong  
Non-executive Director

Judy Li  
Non-executive Director

Mark Gwynne  
Non-executive Director

Catherine Grant  
Company Secretary

substantial increase in uranium usage in the 1-2 decades against a background of 7% annual Gross Domestic Product growth. The Company understands that sourcing sufficient supply for this expansion is a significant risk to China's growth plans. Cauldron's low cost medium term potential production from Bennet Well combined with the blue sky upside from the Yanrey region is viewed by the Company to be of high value to the Chinese nuclear industry. The exploration intellectual property (IP) gained at Bennet Well can now be leveraged into the prospective Yanrey region.

As previously announced (refer to ASX announcement dated 2 December 2014), Cauldron had planned a 10,000m exploration drilling program at Bennet Well in late 2014 (**2014 Drill Program**). Of the plan, only 6,319 drilled metres were completed at the time based on available funding. The geological understanding gained as a result of the 2014 Drill Program required extensive remodelling of this mineral resource. This remodelling is complete and an independent consultant has been engaged to update the Bennet Well Mineral Resource in compliance with JORC reporting standards (JORC 2012). The results are expected to be available early July 2015.

During June 2015, Cauldron received A\$0.8 million from the Australian Taxation Office under the Research and Development Tax Incentive Programme relating to the 2014 financial year.

Recent funding received now enables the Company to resume the planned 2014 Drill Program. This drilling is intended to commence in early August 2015. Subject to the results of this drilling, a second mineral resource update is expected.

Cauldron's Executive Chairman Tony Sage said "We welcome this funding, as it allows Cauldron to progress this exciting uranium project to coincide with the planned growth in nuclear power from the developing world."

## **LAPSED OPTIONS**

Cauldron advises that the following unlisted employee and consultant options expired on 30 June 2015:

- 4,150,000 unlisted options exercisable at \$0.20 each.

**End.**

For further information, visit [www.cauldronenergy.com.au](http://www.cauldronenergy.com.au) or contact:

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