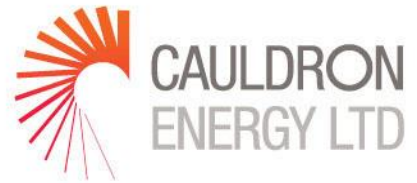


ASX Announcement

Quarterly Report for Period Ended 30 June 2014



31 July 2014

QUARTERLY REPORT – 30 JUNE 2014

Please find attached the Quarterly Activities Report and Appendix 5B for the period ended 30 June 2014.

Yours faithfully,

Brett Smith
Executive Director
Cauldron Energy Limited

Cauldron Energy Ltd

ABN 22 102 912 783

ASX Code CXU

196,438,713 shares

9,500,000 unlisted options

Board of Directors

Tony Sage
Executive Chairman

Brett Smith
Executive Director

Qiu Derong
Non-Executive Director

Amy Wang
Non-Executive Director

Anson Huang
Non-Executive Director

Management

Simon Youds
Operations Manager

Catherine Grant
Company Secretary

HIGHLIGHTS

CORPORATE

- Cauldron secures \$15 million funding from Chinese investors
- New directors appointed to the board
- General Meeting planned to be held during September 2014

EXPLORATION

- **Yanrey Uranium Project**
 - The revised 2012 JORC 2012 Bennet Well resource is near completion
 - The 3D Micromine geology model for the Bennet Well region has been completed
 - Planning work has commenced for a large exploration drilling program in the September 2014 quarter
 - Review of current geophysical images are underway and recommendations for further geophysical surveys are currently being assessed
- **Marree Base Metals Project**
 - Cauldron are working with geophysicist Kim Frankcombe on obtaining quotes for new geophysical surveys over selected parts of the project area
 - The selected geophysical survey is expected to be completed by 31 December 2014

Cauldron Energy Ltd (“Cauldron” or “the Company”) is pleased to present its Quarterly Activities Report for the period ended 30 June 2014.

The quarter’s exploration highlights were the completion of the 3D Micromine geological model for the Bennet Well region. This model is currently being used by Ravensgate in the revised 2012 JORC compliant uranium resource at Bennet Well. Planning has also commenced for an exploration drilling program at Yanrey in the last quarter of 2014.

Following the recently announced \$15 million funding secured, the focus for exploration in Argentina has changed from consolidation and cost saving measures to a focus on completing further exploration to add value to the current projects and define resources. The Company notes a swing to a more favourable nuclear climate in Argentina, as the country plans its future energy requirements. Work has been planned for the Esperanza Uranium Project in the September 2014 quarter.

CORPORATE ACTIVITIES

Funding: A\$15 million funding secured

As announced on 10 June 2014 and 1 July 2014, the Company has entered into a series of placement agreements ("Placement Agreements") with a range of Chinese investors to issue a total of 127,18,756 Shares ("Placement Shares") at an issue price of \$0.118 per share ("Issue Price") to raise A\$15 million ("Placement Funds") (before capital raising costs).

The Issue Price of the Placement Shares was determined at 80% of the volume weighted average closing price of Shares as quoted on ASX over the last ten (10) trading days immediately preceding 29 May 2014.

The Placement Shares are to be issued (and the Placement Funds received) in various tranches, with the final tranche due to be received in December 2015.

Pursuant to the terms of the Placement Agreements, the investors will also be issued with unlisted options (subject to Shareholder approval). Refer to ASX Announcements dated 10 June 2014 and 1 July 2014 for details).

As announced on 20 June 2014, the Company received an initial A\$4 million in Placement Funds from new investor Guangzhou City Guangrong Investment Management Co., Ltd ("Guangrong Investment").

The Company used its remaining capacity under Listing Rule 7.1 to issue 16,476,621 fully paid shares to Guangrong Investment, making \$1,944,241 (of the A\$4 million) immediately available to the Company (before capital raising costs) (being Tranche 1 of the Placement Funds). The balance of these funds (\$2,055,759) are being held in trust by the Company until the Placement Shares can be issued.

The Company will seek shareholder approval at the upcoming Meeting, in respect of A\$11 million of the Placement Funds and associated Placement Shares issued/to be issued (including ratification of 16,476,621 shares issued under Listing Rule 7.1 and approval to issue a further 76,743,779 shares within 3 months of the Meeting). A Notice of General Meeting will be dispatched to all Shareholders shortly.

ASX Listing Rule 7.3.2 requires the issue of securities approved by shareholders pursuant to Listing Rule 7.1 to be completed within 3 months of the relevant shareholder meeting. The timing of the issue of placement of shares in respect of A\$4 million of the Placement Funds is outside of the 3 month period from the pending general meeting ("Meeting") which is planned to be held in mid-September 2014 ("Future Placement Shares"). Shareholder approval for the issue of the Future Placement Shares will be sought at a subsequent Shareholder meeting/s, as required.

The Company intends to use the Placement Funds to commence undertaking extensive additional exploration activities within the wider Yanrey region, in addition to accelerating the growing the Bennet Well resource. Other project areas that will benefit from the funding includes the Company's South Australian Marree base metals project area, for which funding will allow Cauldron to perform geophysical work required to understand the potential of this project. As previously indicated this is intended to lead into drill programs for Mount Freeling, Ooloo and Ooloo south west as well as other anomalies.

Cash at 30 June 2014

Cash available to the Company at the end of the June 2014 quarter was A\$1,874,000. As detailed above, A\$2,055,759 of the Placement Funding was received by the Company during the quarter and is held in trust by the Company at 30 June 2014.

Board Changes

During the quarter, the Company announced the appointment of Dr Amy Wang as a Non-executive Director of the Company with effect from 9 June 2014.

Dr Wang is an Australian national who holds a Bachelor of Materials Engineering from the Shanghai Jiaotong University, P.R. China, a Master of Materials Engineering from the Shanghai Jiaotong University, P.R. China and a Doctorate of Philosophy from Monash University, Australia.

She is currently Managing Director/CAD Manager of AusCAD-Data Service Pty Ltd and a director of China Equity (Australia) Pty Ltd, Australia, positions she has had for more than five years.

On 29 July 2014, the Company announced the appointment of Mr Anson Huang as a Non-executive Director of the Company with effect 29 July 2014.

Mr Huang is a Chinese national with Australian permanent residence. He holds a Bachelor of Commerce from the University of Melbourne and a Masters of Applied Finance from the University of Macquaire.

Mr Huang has more than ten years investment banking experience in both Australia and China. He has assisted many companies in public listings and financing transactions through IPO, M&A, PIPE or Pre-IPO types. He is currently a managing director of Shanghai Nuveen Investment, a position he has held for more than four years.

Issue of shares

During the quarter the Company issued the following:

- 16,476,621 fully paid shares at \$0.118 per share to raise A\$1,944,241 (before capital raising costs) (part of the Placement Shares)
- 1,900,000 fully paid shares were issued on exercise of unlisted options at \$0.20 per share (total of A\$380,000)

Lapsed Options

The Company advised that 900,000 unlisted employee and consultant options exercisable at \$0.20 each in the Company lapsed on 30 June 2014.

Energia Minerals takeover bid ended

The offer period for the off market takeover bid by Cauldron Energy Limited for all of the fully paid ordinary shares in Energia Minerals Limited ("Energia Minerals") (ASX: EMX) ("Offer") closed at 5:00pm (WST/Perth time) on 1 May 2014.

The conditions to the Offer were not met at that time. Accordingly, the Offer lapsed.

Change of share registry contact details

With effect from 24 April 2014, the Company's share registry contact details changed to:

Advanced Share Registry Ltd
110 Stirling Highway
Nedlands WA 6009
Telephone: (08) 9389 8033
Fax: (08) 9262 3723

EXPLORATION ACTIVITIES: AUSTRALIA

In Australia, Cauldron has two project areas (Figure 1) covering more than 6,000km² in two known uranium provinces in South Australia and Western Australia. Projects include:

- **Yanrey Project ("Yanrey") and Uaroo Joint Venture** in Western Australia. Yanrey comprises 14 granted exploration licences (2,991km²) and 3 applications for exploration licences (241km²). Uaroo Joint Venture comprises 2 granted exploration licences (114km²). Yanrey is prospective for large sedimentary hosted uranium deposits.
- **Marree Joint Venture** in South Australia comprising 5 granted exploration licences (2,794km²) prospective for sedimentary-hosted uranium deposits as well as base metal mineralisation.

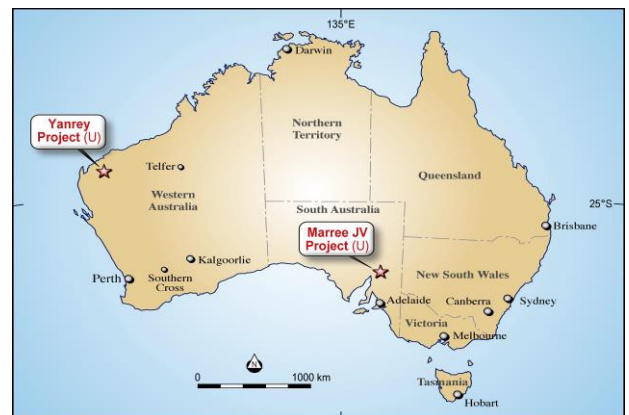


Figure 1: Major Project Locations in Australia

YANREY URANIUM PROJECT, WESTERN AUSTRALIA

JORC 2012 resource for Bennet Well near completion

Cauldron has been working with Ravensgate on the revised JORC 2012 uranium resource for the Bennet Well region and this work is near completion.

The completion of the resource was anticipated in the previous quarter but additional time has been spent finalising the detailed geological 3D Micromine model. This geological model will allow for both a more robust resource to be calculated as well as assist with planning of future drill holes at the project. The revised resource is now expected to be finalised by August 2014.

Cauldron is in the process of planning for a mud rotary or air-core exploration drilling program in the September 2014 quarter. The aim of this program is to further define the areas of known uranium mineralisation as well as identify new uranium resources in the overall project area. This planned exploration work is expected to continue into larger programs in early 2015 including further drill holes, core drilling as well as possible field leach test programs.

Cauldron have also been working with geophysicist, Kim Frankcombe on re-interpretation of current geophysical images, re-processing of current images and looking at additional geophysical surveys that can be completed to assist in the planning of drill hole locations.

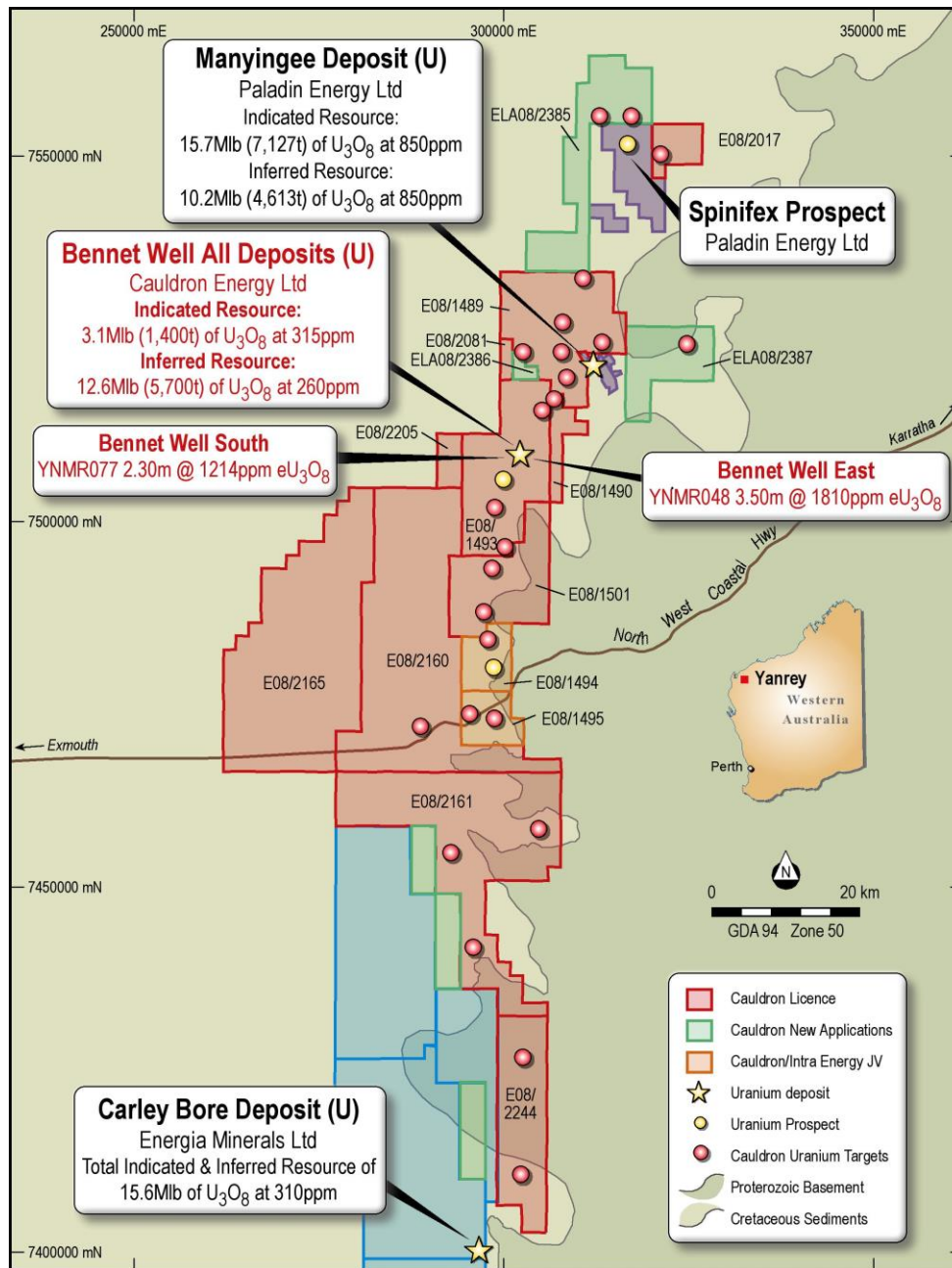


Figure 2: Yanrey Project – Deposit, Prospect and Target Locations

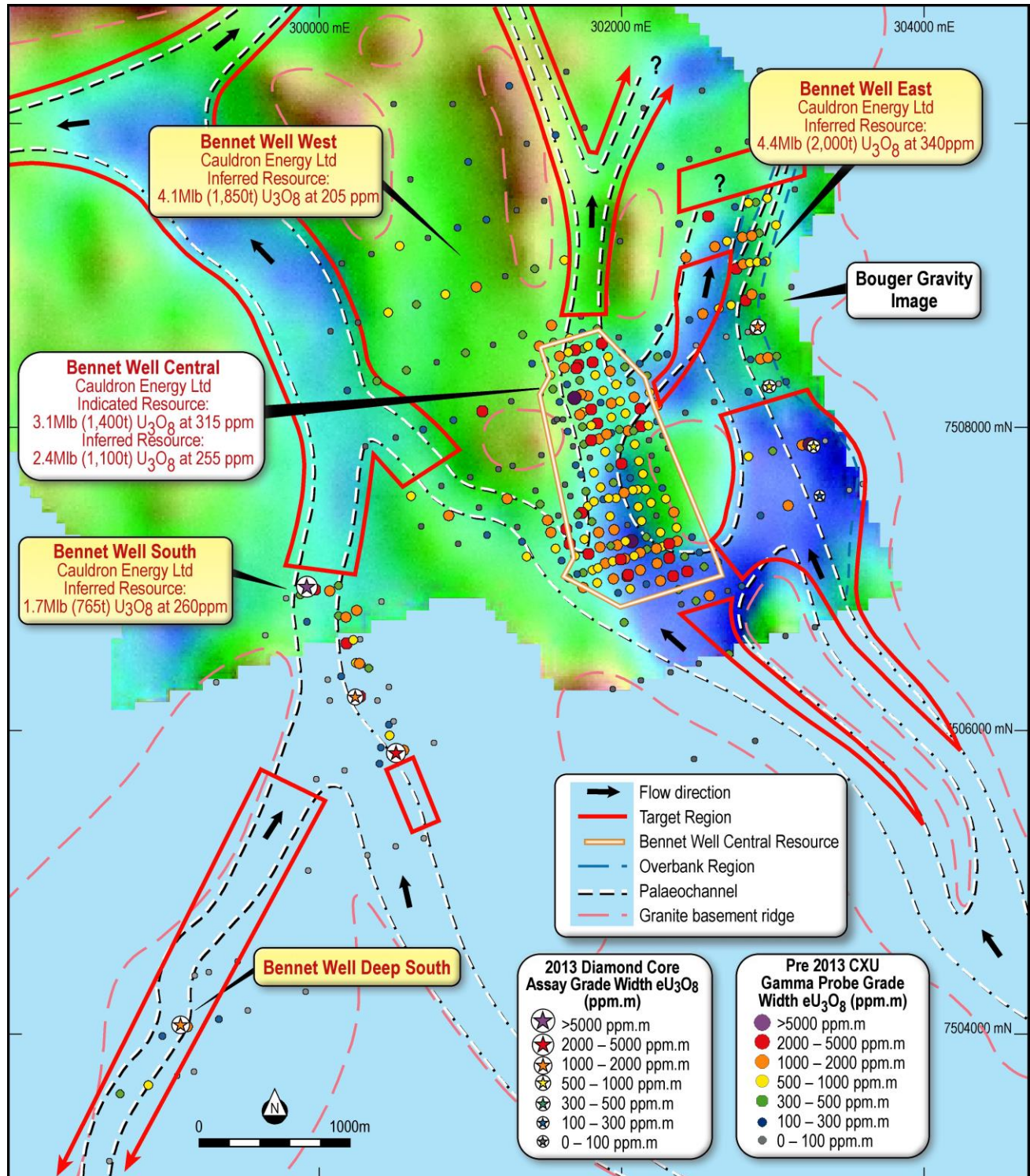


Figure 3: Bennet Well prospect location map on E08/1493 showing the location of the various Bennet Well resources and geological interpretation shown on a bouguer gravity image

MARREE BASE METALS PROJECT, SOUTH AUSTRALIA

Despite an initial desire to immediately drill test the geophysical anomaly beneath the historical Ooloo Mine, a review of Kim Frankcombe's (Frankcombe) interpretation report indicates that detailed regional structural information through mapping and more detailed geophysical surveys are required. Based on initial geological reconnaissance conducted in the June 2013 quarter, as well as the results of Frankcombe's IP and gravity reports, the currently developing hypothesis for Ooloo involves a regional structural control given the mineralisation at Ooloo and its similarities with Mount Freeling 20km to the south. This being the case, the collection of wider and more detailed structural orientation data is highly critical for the design of drilling programs at Ooloo, Mount Freeling and other new prospective targets arising from the previously completed mapping (Figure 4).

During the June 2014 quarter Cauldron have been working with geophysicist Kim Frankcombe in sourcing quotes for additional geophysical surveys over selected parts of the project area. No final decision has been made yet on what the preferred geophysical survey will be.

It is planned to complete the selected geophysical survey by 31 December 2014 so that a decision on what the next step will be for this project including the possibility of drilling.

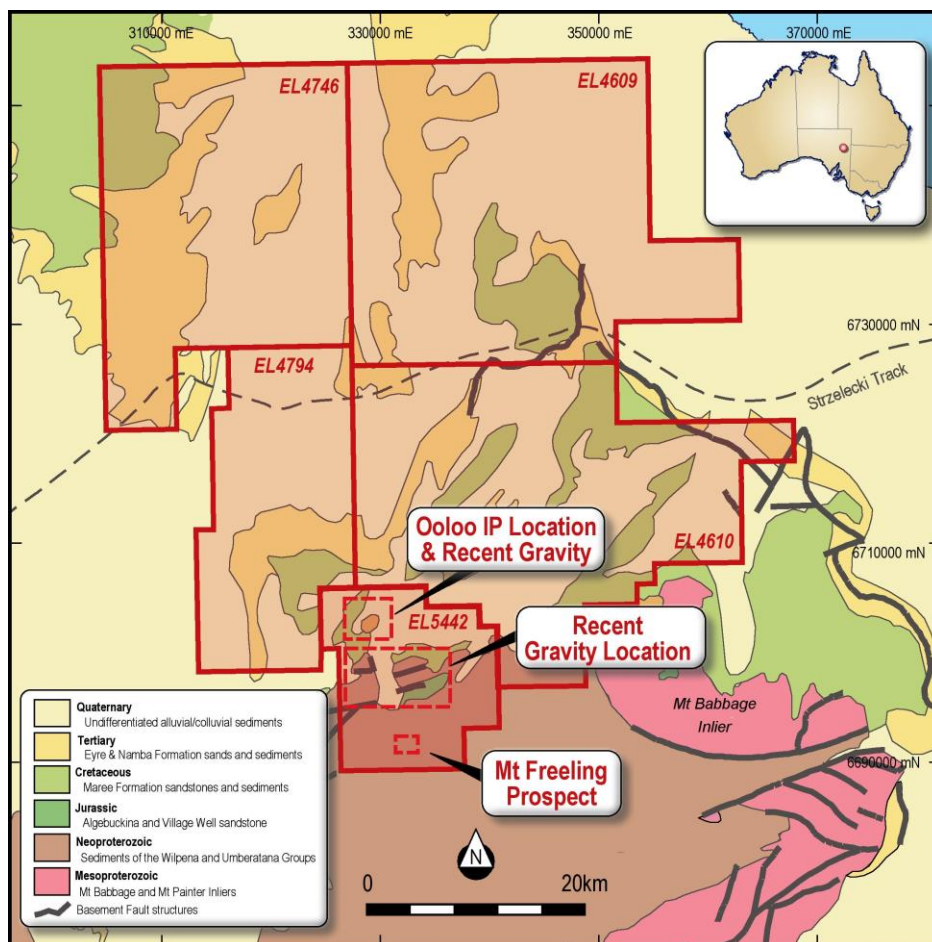


Figure 4 : Marree Project – Location of identified prospects

TENEMENT ADMINISTRATION: AUSTRALIA

Objection to Cauldron's Applications for exploration licences 08/2385-2387

Cauldron has lodged applications for exploration licences 08/2385-2387 ("Exploration Licences") to which Forrest & Forrest Pty Ltd has objected. The applications and objections were heard before the Perth Mining Warden over 9 to 12 December 2013. As announced on 14 February 2014, the Mining Warden recommended that the uranium exploration licences sought by Cauldron to conduct exploration on and adjacent to pastoral leases on the Minderoo pastoral station in Western Australia's Pilbara region be refused. The Warden will now recommend that the Minister refuse to grant the exploration licences. The Minister is not bound to follow the Warden's recommendation and may grant the exploration licences irrespective of the Warden's recommendation. The Company awaits the Minister's decision on this matter.

Energia Mineral's Objection and Application for Forfeiture

On 14 August 2013 Energia lodged objections to applications for exemption from expenditure and applications for forfeiture affecting exploration licences 08/2160, 08/2161 and 08/2165 held by Cauldron ("Tenements"). The applications for exemption (and associated objections) and applications for forfeiture relate to the expenditure year ending 20 May 2013 (in relation to exploration licence 08/2160) and 14 June 2013 (in relation to exploration licences 08/2161 and 08/2165). The proceedings are administrative in nature and are commenced under the *Mining Act 1978* (WA) ("Act"). In relation to the applications for exemption and objections, under the Act the Warden hears the applications and delivers a report and recommendation to the Minister for Mines and Petroleum as to the grant or refusal of certificates of exemption for the Tenements. Upon receipt of the Warden's report and recommendation, the Minister for Mines and Petroleum determines whether certificates of exemption are granted for the Tenements. If certificates of exemption are granted, Cauldron will have a complete defence to the applications for forfeiture. In relation to the applications for forfeiture, under the Act the Warden conducts a hearing of the applications and may recommend to the Minister the forfeiture of the Tenements, impose a penalty not exceeding \$10,000 per Tenement or dismiss the applications for forfeiture. If the Warden makes a recommendation for forfeiture of the Tenements, the Minister may declare the Tenements forfeited, impose a penalty not exceeding \$10,000 per Tenement or determine not to forfeit the Tenements or impose any penalty. The proceedings are currently at an early stage before the Perth Mining Warden.

EXPLORATION ACTIVITIES: ARGENTINA

In Argentina, Cauldron controls, through its wholly-owned subsidiary Cauldron Minerals Limited ("Cauldron Minerals"), and an agreement with Caudillo Resources S.A. ("Caudillo") more than 3,400 km² of ground in 6 project areas (Figure 5) in 4 Provinces.

Following the recently announced \$15 million funding being secured, the focus for exploration in Argentina has changed from consolidation and cost saving measures to a focus on completing further exploration to add value to the current projects and define resources. This coincides with the announcement of the continued expansion of the Federal government's nuclear power generation capacity.

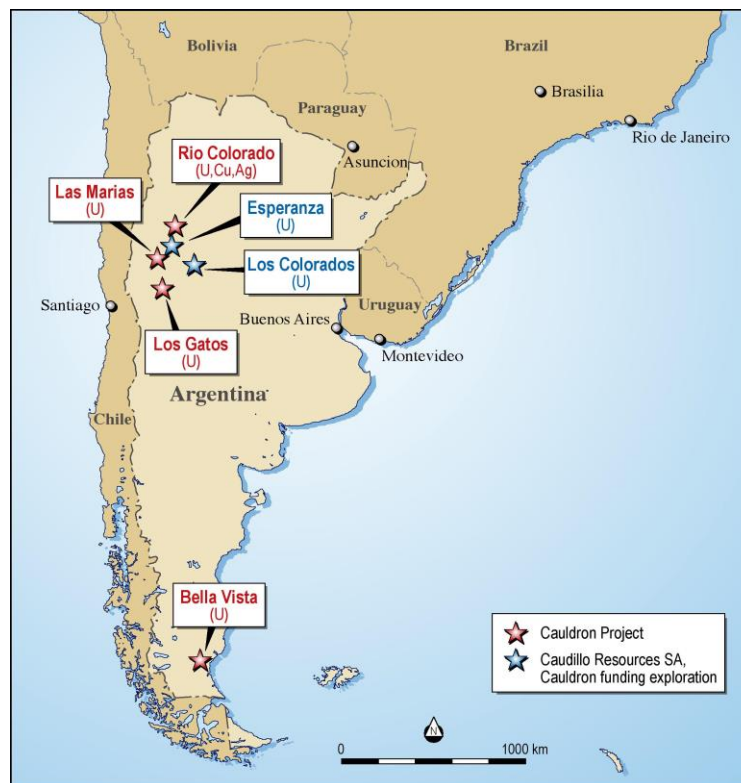


Figure 5: Argentina – Location of Prospects

Below is a summary of the Company's project areas in Argentina:

Cauldron Minerals Ltd

- The Rio Colorado Project, Catamarca Province: covers an area of 454 km² and comprises 4 granted mining leases (minas), 6 granted exploration licences (cateos) and 4 mining lease applications. The deposit intermittently outcrops over a strike of 17 km with numerous small scale historical workings focused on the sandstone-hosted uranium-copper-silver mineralisation; and
- Las Marias, San Juan Province: comprises 2 granted exploration licences and 9 applications covering an area of 793 km². The project displays outcropping sandstone hosted uranium deposits, but is also prospective for copper, silver and gold.

Caudillo Resources S.A.

- Los Colorados Project, La Rioja Province: comprises 1 granted mining lease and 1 granted exploration licence. The project includes the old Los Colorados Uranium Mine, which has a quoted production of approximately 55 tonnes of uranium concentrate (1992 and 1996), from roll-front, sandstone-hosted uranium mineralisation.
- Esperanza Project, La Rioja Province: comprising 8 licences (756km²) prospective for sandstone hosted uranium deposits.

Quarterly Report for Period Ended 30 June 2014

The Company also has several applications pending for exploration licences in the Catamarca, San Juan, La Rioja and Santa Cruz provinces.

End.

For further information, visit www.cauldronenergy.com.au or contact:

Simon Youds

Cauldron Energy Limited

Ph: (08) 9380 9555

David Tasker/ Colin Jacoby

Professional Public Relations

Ph: (08) 9388 0944

Disclosure Statements

Competent Person Statement

The information in this announcement to which this statement is attached that relates to Cauldron Energy Limited's exploration results is based on information compiled by Mr Brett Smith who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Smith is a part-time employee of Cauldron Energy Limited and has sufficient experience relevant to the styles of mineralisation and types of deposits under consideration. Mr Smith is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Smith consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.

Schedule of Tenements

Mining tenements held at 30 June 2014, including tenements acquired and disposed of during the quarter:

Tenement reference	Project & Location	Acquired interest during the quarter	Disposed interest during the quarter	Interest at end of quarter
E08/1489	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/1490	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/1493	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/1501	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/2017	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/2081	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/2152	BOOLALOO - WESTERN AUSTRALIA	-	-	20%
E08/2160	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/2161	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/2165	YANREY - WESTERN AUSTRALIA	-	-	100%

Tenement reference	Project & Location	Acquired interest during the quarter	Disposed interest during the quarter	Interest at end of quarter
E08/2205	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/2244	YANREY - WESTERN AUSTRALIA	-	-	100%
E45/2405	BEADELL - WESTERN AUSTRALIA	-	-	20%
E08/2478	YANREY – WESTERN AUSTRALIA	100%	-	100%
E08/2479	YANREY – WESTERN AUSTRALIA	100%	-	100%
E08/2480	YANREY – WESTERN AUSTRALIA	100%	-	100%
165/2008	Rio Colorado Project - Catamarca, Argentina	-	-	100%
571/2009	Rio Colorado Project - Catamarca, Argentina	-	-	100%
393/2010	Rio Colorado Project - Catamarca, Argentina	-	-	100%
321/2008	Rio Colorado Project - Catamarca, Argentina	-	-	100%
322/2008	Rio Colorado Project - Catamarca, Argentina	-	-	100%
307/2008	Rio Colorado Project - Catamarca, Argentina	-	-	100%
312/2008	Rio Colorado Project - Catamarca, Argentina	-	-	100%
316/2008	Rio Colorado Project - Catamarca, Argentina	-	-	100%
317/2008	Rio Colorado Project - Catamarca, Argentina	-	-	100%
324/2008	Rio Colorado Project - Catamarca, Argentina	-	-	100%
1124-333-2008	Las Marias Project - San Juan, Argentina	-	-	100%
1124-546-2010	Las Marias Project - San Juan, Argentina	-	-	100%

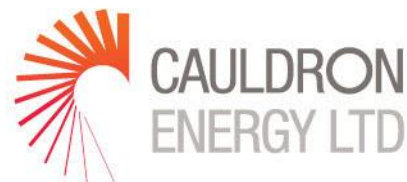
Mining tenements with beneficial interest held in farm-in/farm-out agreements held at 30 June 2014, including interests acquired and disposed of during the quarter:

Farm-in Agreement and Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter
E08/1494	UAROO - WESTERN AUSTRALIA	-	-	70%*
E08/1495	UAROO - WESTERN AUSTRALIA	-	-	70%*
140/2007	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%
141/2007	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%
142/2007	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%
143/2007	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%
144/2007-581/2009	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%
176/1997	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%
232/2007	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%
270/1995	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%
271/1995	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%
43/2007	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%

*Rights to uranium only

ASX Announcement

Quarterly Report for Period Ended 30 June 2014



Farm-out Agreement and Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter
EL4279	MAREE - SOUTH AUSTRALIA	-	60% (increasing)	-
EL4609	MAREE - SOUTH AUSTRALIA	-	-	60% (increasing)
EL4610	MAREE - SOUTH AUSTRALIA	-	-	60% (increasing)
EL4746	MAREE - SOUTH AUSTRALIA	-	-	60% (increasing)
EL4794	MAREE - SOUTH AUSTRALIA	-	-	60% (increasing)
EL5442	MAREE - SOUTH AUSTRALIA	60% (increasing)	-	60% (increasing)

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Cauldron Energy Limited

ABN

22 102 912 783

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(765)	(2,686)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(108)	(491)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	5
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other: reimbursement from JV partner	-	17
	Other: R&D tax refund	-	347
	Other: Legal	(403)	(953)
	Net Operating Cash Flows	(1,275)	(3,761)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	20
	(c) other fixed assets	-	-
	(d) controlled entity	-	-
1.10	Loans to other entities	(15)	(217)
1.11	Loans repaid by other entities	-	-
1.12	Other: Bonds refunded	10	149
	Net investing cash flows	(5)	(48)
1.13	Total operating and investing cash flows (carried forward)	(1,280)	(3,809)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,280)	(3,809)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,324	2,924
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other: Proceeds from convertible loan note issued	650	2,550
	Net financing cash flows	2,974	5,474
	Net increase (decrease) in cash held	1,694	1,665
1.20	Cash at beginning of quarter/year to date	180	214
1.21	Exchange rate adjustments to item 1.20	-	(5)
1.22	Cash at end of quarter	1,874	1,874

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	69
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions Payments to the parties included in item 1.2 of \$69,084 relates to Directors fees.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

As announced on 20 June 2014, the Company received an initial A\$4 million in subscription sums ("Placement Funds") from new investor Guangzhou City Guangrong Investment Management Co., Ltd ("Guangrong Investment"). The Company used its remaining capacity under Listing Rule 7.1 to issue 16,476,621 fully paid shares to Guangrong Investment, making \$1,944,241 (of the A\$4 million) immediately available to the Company (before capital raising costs) (being Tranche 1 of the Placement Funds). The balance of these funds (\$2,055,759) are being held in trust by the Company until the Placement Shares can be issued. The Company will seek shareholder approval at the upcoming Meeting, in respect of a total of A\$11 million of in placement funds and associated placement shares issued/to be issued (including ratification of 16,476,621 shares issued under Listing Rule 7.1 and approval to issue a further 76,743,779 shares within 3 months of the Meeting). A Notice of General Meeting will be dispatched to all Shareholders shortly.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities*	1,000	650
3.2 Credit standby arrangements	-	-

* Two major Cauldron shareholders, CFE and Director Mr Derong Qiu, have each advanced the Company A\$200,000 for operating expenses (**Loan 1** and **Loan 2**). The total of Loan 1 and Loan 2 funds of A\$400,000 was drawn down by the Company in the December 2013 quarter. These loans are either repayable or convertible into shares, subject to shareholder approval.

On 17 March 2014, the Company announced that in a further show of support, CFE agreed to provide A\$1,000,000 via a converting loan agreement (**Loan 3**). This loan is either repayable or convertible into shares, subject to shareholder approval. As at 30 June 2014, A\$650,000 of the Loan 3 funds had been drawn down by the Company.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,000
4.2 Development	-
4.3 Production	-
4.4 Administration	500
Total	2,500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,874	180
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,874	180

In addition to the above cash on hand and at bank a balance of \$2,055,759 is being held in trust by the Company until the Placement Shares can be issued (refer note 2.1 above).

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report****Changes in interests in mining tenements and petroleum tenements**

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	EL4279	Expired	60%	-
6.2 Interests in mining tenements and petroleum tenements acquired or increased	E08/2478 E08/2479 E08/2480 EL5442	Granted Granted Granted Granted	- - - -	100% 100% 100% 60%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities (description)	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	196,438,713	196,438,713		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	18,376,621	18,376,621		
7.5 +Convertible debt securities (description)				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	5,000,000 1,000,000 3,000,000 500,000		<i>Exercise price</i> \$0.20 \$0.20 \$0.20 \$0.45	<i>Expiry date</i> 30 June 2015 18 Sep 2015 30 Sep 2015 20 Oct 2015
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	(1,900,000)	-	<i>Exercise price</i> \$0.20	<i>Expiry date</i> 30 June 2014
7.10	Expired during quarter	(900,000)	-	<i>Exercise price</i> \$0.20	<i>Expiry date</i> 30 June 2014
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (totals only)	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:
(Company secretary)

Date: 31 July 2014

Print name: Catherine Julie Grant

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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