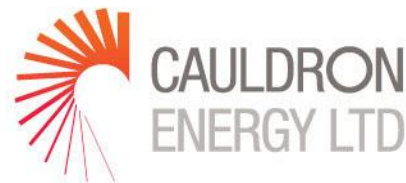


ASX Announcement

Quarterly Report for Period Ended 30 June 2016



29 July 2016

QUARTERLY REPORT – 30 JUNE 2016

Please find attached the Quarterly Activities Report and Appendix 5B for the period ended 30 June 2016.

Yours faithfully,

Tony Sage
Executive Chairman
Cauldron Energy Limited

Cauldron Energy Ltd

ABN 22 102 912 783

ASX Code CXU

288,002,620 shares

44,000,000 unlisted options

Board of Directors

Tony Sage
Executive Chairman

Qiu Derong
Non-Executive Director

Judy Li
Non-Executive Director

Mark Gwynne
Non-Executive Director

Management

Catherine Grant
Company Secretary

Jess Oram
Exploration Manager

HIGHLIGHTS

CORPORATE

- Cauldron Recovers Judgment Debt

EXPLORATION & PROJECTS

- Yanrey Uranium Project
 - Cauldron Energy and radiological consultants, Radiation Advice and Solutions Pty Ltd, have now completed the Radiation Management and Radiation Waste Management Plan for the proposed Field Leach Trials at the Bennet Well Uranium Deposit. The first draft of this document is with the Department of Mines and Petroleum (**DMP**) for initial review and comment.
 - The first phase of the lithological/hydrogeological framework model for Bennet Well has now been completed. Phase 1 involved the detailed interpretation work of all drilling data from the deposit. The results from Phase 1 are now being collated in Micromine to develop a 3D model showing the surfaces of all respective, interpreted stratigraphic units, as well as various lithological features that may act as influential controls on mineralisation.
 - The Passive Seismics orientation survey commenced in June 2016 over the Bennet Well deposit. The results of the orientation are currently being processed and interpreted however the initial passive seismic response appears to be a useful exploration tool in accurately mapping out the basement profile over the deposit.
- Argentina
 - Cauldron is awaiting judicial approval to allow the commencement of drilling at Rio Colorado.
 - Some tenements were approved for surrender following an additional tenement review earlier in the March 2016 quarter. The geological significance of these areas was deemed as unlikely to host mineralisation of economic tenor and grade, thus prompting the decision for surrender in favour of focusing exploration activities on more prospective ground such as the Rio Colorado project area.

Cauldron Energy Ltd (**Cauldron** or the **Company**) is pleased to present its Quarterly Activities Report for the period ended 30 June 2016.

CORPORATE ACTIVITIES

Cauldron Recovers Judgment Debt

As announced by Cauldron on 29 July 2016, the Company received judgment in its favour in respect of its claim against Guangzhou City Guangrong Investment Management Co. Ltd (**Guangzhou City**). The judgment debt due and payable by Guangzhou City to the Company is \$1 million plus interest.

Guangzhou City was the registered holder of 33,898,812 shares in Cauldron (**Shares**).

On 17 May 2016, upon the Company's ex parte application, Master Sanderson made orders appointing a receiver (Mr Kim Waldman of HLB Mann Judd (Insolvency WA) (**Receiver**)) over the Shares to recover payment of the judgment debt in accordance with the powers by the *Civil Judgments Enforcement Act*.

On 5 July 2016, the Receiver completed the sale of the Shares to investors who have agreed to a six-month escrow period in respect of the Shares. The Company recovered \$508,475 of the judgment debt (before Receiver costs) from the sale of Shares by the Receiver, and the funds were received by the Company during July 2016.

The Company considers further recovery to be doubtful and is taking advice in respect of registering the judgment in China.

Cash at 30 June 2016

Cash available to the Company at the end of the June 2016 quarter was \$2.8 million.

EXPLORATION ACTIVITIES: AUSTRALIA

In Australia, Cauldron has two project areas (Figure 1) covering more than 4,500 km² in two known uranium provinces in South Australia and Western Australia. Projects include:

- **Yanrey Project (Yanrey)** in Western Australia comprises 13 granted exploration licences (2,209 km²) and 7 applications for exploration licences (912 km²). Yanrey is prospective for large sedimentary-hosted uranium deposits. A joint venture securing two of the exploration licences in the Yanrey Project tenement group (called the Uaroo Joint Venture) expired at the beginning of the September 2015 quarter.
- **Marree Joint Venture** in South Australia comprising five granted exploration licences (2,794 km²) prospective for sedimentary-hosted uranium deposits of both the Beverley Uranium and Four Mile Uranium style, and for base metal mineralisation.
- **Boolaloo Project (Boolaloo)** in Western Australia comprises 2 granted exploration licences (104.13km²) prospective for gold mineralisation.

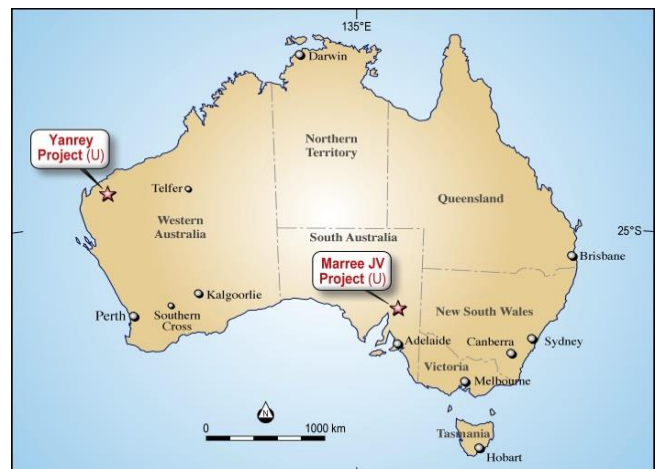


Figure 1: Major Project Locations in Australia

BENNET WELL (YANREY REGION)

The mineralisation at Bennet Well is a shallow accumulation of uranium hosted in unconsolidated sands close to surface (less than 100 m downhole depth) in Cretaceous sedimentary units of the Ashburton Embayment.

The Bennet Well deposit is comprised of three spatially separate deposits; namely Bennet Well East, Bennet Well Central, and Bennet Well South (refer to Figure 2).

Work completed during the reporting period comprised the following:

1. Cauldron Energy and radiological consultants, Radiation Advice and Solutions Pty Ltd, have now completed the Radiation Management and Radiation Waste Management Plan for the proposed Field Leach Trials at the Bennet Well Uranium Deposit. The first draft is with the Department of Mines and Petroleum (**DMP**) for initial review and comment. Pending finalisation, the document will be used in the preparation of the Program of Works application for a pump test and field leach trial at Bennet Well.
2. The first phase of the lithological/hydrogeological framework model for Bennet Well has now been completed. Phase 1 involved detailed interpretation work of all lithological and geophysical information collected from drilling over the deposit. This interpretative work was then extracted into a database that is now being used to develop a 3D model in Micromine (Phase 2). The resulting model will show the surfaces of all respective, interpreted stratigraphic units (such as the fresh basement surface), as well as various lithological features that may act as influential controls on mineralisation (e.g. structures such as faults and silcrete horizons within the overlying aquiclude).
3. The Passive Seismics orientation survey commenced in June 2016 over the Bennet Well deposit. The work program experienced some delays due to substantial rainfall between mid-late June and early July 2016, resulting in the flooding of many areas and blocking access to the major exit routes from the project area. However, there has been no further rain since and many flooded areas are now becoming more accessible over time as the water evaporates. The orientation survey is currently scheduled to be completed early in the September 2016 quarter. The processing and interpretation is underway of all passive seismic data obtained thus far from the orientation survey at Bennet Well, with the eventual aim of using the results to further constrain the basement model obtained from the lithological framework described above in point 2. The geological understanding of basement considerably increases the probability of exploration success, and the efficacy of exploration target generation.

YANREY PROJECT

The Yanrey Project comprises a collection of twelve exploration tenements in north-west Western Australia, one of which secures the Bennet Well Uranium Deposit. The project is prospective of sandstone-style uranium mineralisation capable of extraction by in-situ recovery mining techniques.

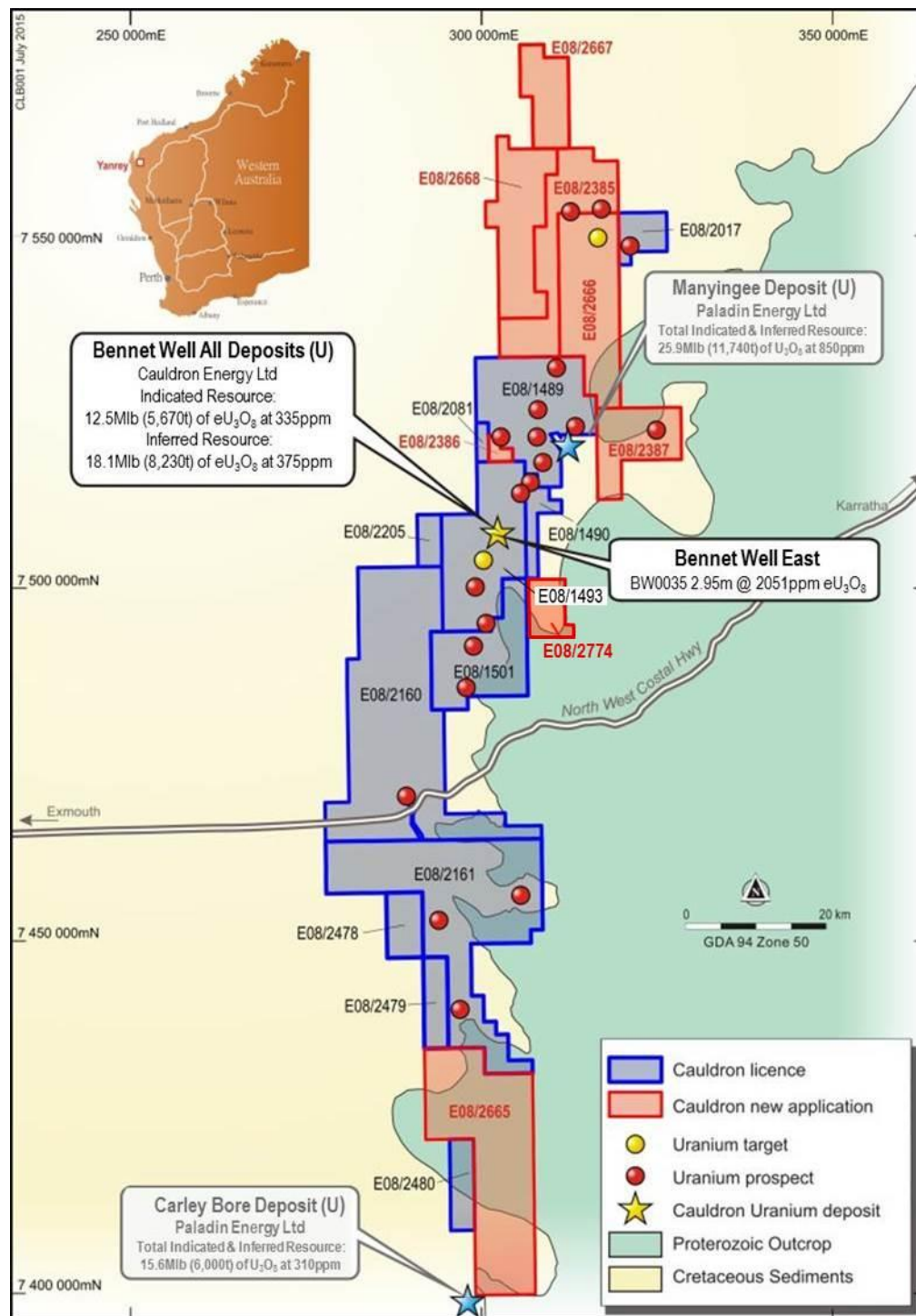


Figure 2: Yanrey Project – Deposit, Prospect and Target Locations

The Passive Seismic survey currently underway at Bennet Well will be extended into the more regional areas of the larger Yanrey Project. Several survey lines are planned for various areas of interest from the Manyingee South Channel prospect in the northern tenements (E08/1489) to approximately 15 km northeast of the Paladin Energy-owned Carley Bore deposit in the southern tenements (E08/2480). Survey completion is scheduled to be towards the end of the September 2016 quarter, although this may be extended into the following quarter if there are any further significant rainfall events in the region.

MARREE PROJECT, SOUTH AUSTRALIA

Cauldron has not completed any exploration work at Marree during the quarter, as the focus has remained to progress the Yanrey/Bennet Well uranium project.

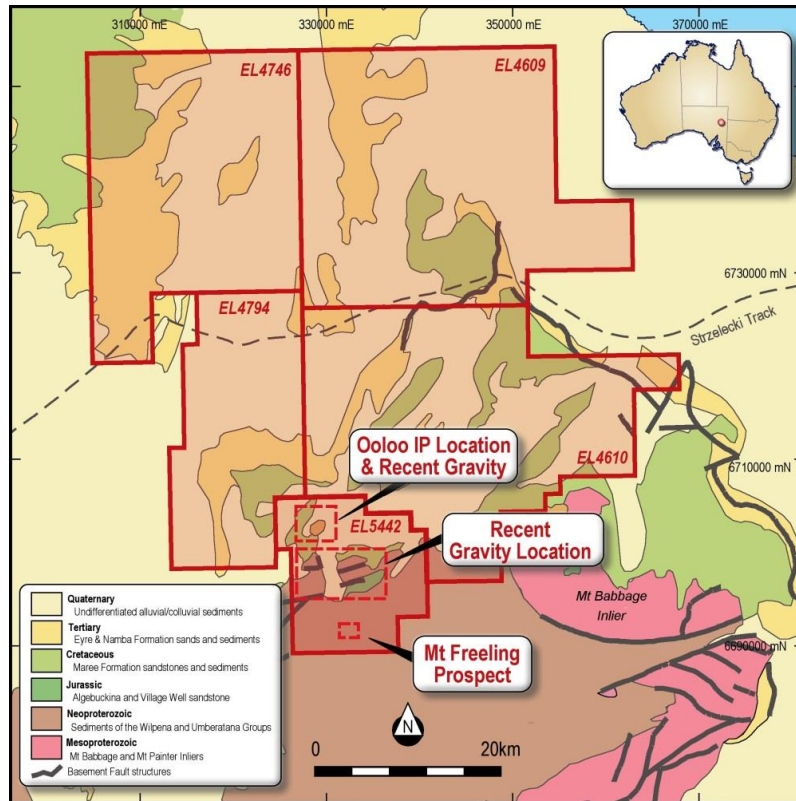


Figure 3: Marree Project – Location of identified prospects

TENEMENT ADMINISTRATION: AUSTRALIA

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

Cauldron lodged applications for exploration licences 08/2385, 08/2386 and 08/2387 on 4 April 2012. Forrest & Forrest Pty Ltd lodged objections to the applications under the Mining Act. On 5 January 2015 the Minister for Mines decided there were sufficient grounds to allow the applications to proceed through the determination process under the Mining Act and the Native Title Act. On 1 April 2015, Forrest & Forrest Pty Ltd requested the applications return to the warden. The warden declined to have any further hearing of the applications and the applications have successfully passed through the Native Title process. On 27 August 2015, Forrest & Forrest Pty Ltd made application to the Supreme Court of Western Australia for judicial review of the Minister's decision to progress each application through the determination process under the Mining Act and the Native Title Act. The application for judicial review was heard on 19 April 2016, and its judgment remains reserved at this point in time.

Energia Mineral's Application for Forfeiture for exploration licences 08/2160, 08/2161 and 08/2165

On 14 August 2013 Energia Minerals Limited (ASX: **EMX**) lodged objections to applications for exemption from expenditure and lodged 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**).

The matter of the exemptions was heard by Warden Maughan 15-16 April 2015. On 22 May 2015, the Warden recommended that the exemptions be refused in each instance. Cauldron has since surrendered E08/2165 in its entirety and lodged a submission to the Minister, requesting his approval of the exemption applications for E08/2160 and E08/2161. On 9 March 2016 the Minister for Mines refused Cauldron's applications for exemption from expenditure for the Tenements.

Exploration Licences 08/2160 and 08/2161 are currently proceeding through the warden's court process in relation to the Forfeiture applications and are scheduled for mention on 26 August 2016 .

Objection to Cauldron's Applications for exploration licences 08/2666-2668

Cauldron lodged applications for Exploration Licences 08/2666-2668 (E08/2666-2668) on 5 December 2014. Forrest & Forrest Pty Ltd lodged objections against E08/2666-2668 on 6 January 2015. The Warden has accepted several adjournments of the first mention of the objections, due to the DMP requirement to assess other applications that were first in line before Cauldron's applications for the same land. The matters are to be adjourned to October 2016 for mention.

Since the adjournment, first in line applications with regard to the land under E08/2667 and E08/2668 have been refused, which now puts Cauldron's applications at the forefront for grant. However, E08/2666 remains second in line for assessment.

Cauldron has contacted Forrest & Forrest Pty Ltd for provision of an access agreement to procure the withdrawal of objections against E08/2667-2668 and is currently awaiting a response. These legal proceedings are currently at an early stage, with no negotiation between the parties commenced at this point in time.

Gnulli and Budina Native Title Claimants Objection to Expedited Procedure for E08/2665

On 12 February 2015, both the Gnulli and Budina Native Title Claimants lodged objections to the expedited Native Title procedure being applied to the grant of Cauldron's application for Exploration Licence 08/2665. Cauldron agreed to terms for a heritage agreement with both Gnulli and Budina on 11 March 2016, and the agreements were finalized on 4 April 2016. The objections were withdrawn on 8 April 2016 and E08/2665 was granted to Cauldron on 12 April 2016.

Red Sky Stations Pty Ltd Objection to Tenement Application for E08/2733

Red Sky lodged an objection against the application for E08/2733 (applied for by Ashrock Nominees Pty Ltd) on the basis that exploration on the tenement would be detrimental to their pastoral lease (Uaroo). In December 2015, Red Sky provided Ashrock with a draft access

agreement to resolve the issue and withdraw the objection. Negotiations were paused whilst another Ashrock tenement went through a ballot process. Cauldron purchased E08/2733 from Ashrock in May 2016 and has taken over this matter. The Objection is proceeding through Warden's court and is expected to be heard in September 2016, to permit negotiation of an access agreement to proceed.

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 exploration tenement in six project areas (Figure 4) located in four provinces. The most advanced project, Rio Colorado, is a Cu-Ag target exhibiting characteristics similar to the globally significant sedimentary copper deposits.



Figure 4: Argentina – Location of Prospects

No work was completed in Argentina as Cauldron is awaiting approval for drilling at the Rio Colorado Project.

End.

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

Cauldron Energy Limited

Ph: (08) 9380 9555

David Tasker – Professional Public Relations

Ph: (08) 9388 0944

Disclosure Statements

Competent Person Statement

The information in this report that relates to the Mineral Resource for the Bennet Well Uranium Project is based on information compiled by Mr Jess Oram, Exploration Manager of Cauldron Energy and Mr Stephen Hyland, who is a Principal Consultant of Ravensgate. Mr Oram is a Member of the Australasian Institute of Geoscientists and Mr Hyland is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Oram has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves (JORC Code 2012). Mr Oram and Mr Hyland consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Schedule of Tenements

Mining tenements held at 30 June 2016, 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%
E08/2160	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/2161	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/2205	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/2478	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2479	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2480	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2665	YANREY – WESTERN AUSTRALIA	100%	-	100%
E08/2496	BOOLALOO – WESTERN AUSTRALIA	-	-	100%
E08/2638	BOOLALOO – WESTERN AUSTRALIA	-	-	100%
393/2010	Catamarca, Argentina	-	-	100%

Mining tenements with beneficial interest held in farm-in/farm-out agreements held at 30 June 2016, 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
140/2007	Rio Colorado Project - Catamarca, Argentina	-	-	51%*
141/2007	Rio Colorado Project - Catamarca, Argentina	-	-	51%*
142/2007	Rio Colorado Project - Catamarca, Argentina	-	-	51%*
143/2007	Rio Colorado Project - Catamarca, Argentina	-	-	51%*

Farm-in Agreement and Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter
144/2007-581/2009	Rio Colorado Project - Catamarca, Argentina	-	-	51%*
176/1997	Rio Colorado Project - Catamarca, Argentina	-	-	51%*
232/2007	Rio Colorado Project - Catamarca, Argentina	-	-	51%*
270/1995	Rio Colorado Project - Catamarca, Argentina	-	-	51%*
271/1995	Rio Colorado Project - Catamarca, Argentina	-	-	51%*
43/2007	Rio Colorado Project - Catamarca, Argentina	-	-	51%*

*Cauldron has signed an exclusive option agreement through its wholly owned subsidiary Cauldron Minerals Ltd (formerly Jackson Global Ltd) with a private party (Dr Horacio Solis), to earn 92.5% in 230km² of the Rio Colorado uranium project in Argentina. The remainder of the project is (532km²) is held by Cauldron in the name of a related entity. Together, both areas will form the Rio Colorado Joint Venture. During the December 2015 quarter, Cauldron earned its Initial Interest of 51% in the project. The Company can earn 92.5% of the project by completing exploration expenditure of \$500,000 within three years following earning of the initial interest.

Farm-out Agreement and Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter
EL4609 (now EL5789)	MAREE - SOUTH AUSTRALIA	-	-	62.56%** (increasing)
EL4610 (now EL5788)	MAREE - SOUTH AUSTRALIA	-	-	62.56%** (increasing)
EL4746	MAREE - SOUTH AUSTRALIA	-	-	62.56%** (increasing)
EL4794	MAREE - SOUTH AUSTRALIA	-	-	62.56%** (increasing)
EL5442	MAREE - SOUTH AUSTRALIA	-	-	62.56%** (increasing)

**As at 31 December 2015

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 2016

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(371)	(3,123)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(271)	(929)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	5	6
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other: Legal	(73)	(589)
	Other: R&D Tax Incentive Refund	-	1,649
	Other: Income – legal costs, damages & interest	-	531
Net Operating Cash Flows		(710)	(2,455)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(45)	(45)
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	35	55
	(c) other fixed assets	-	-
	(d) controlled entity	-	-
1.10	Loans to other entities	(50)	(86)
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
Net investing cash flows		(60)	(76)
1.13	Total operating and investing cash flows (carried forward)	(770)	(2,531)

+ 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)	(770)	(2,531)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	4,129
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:	-	-
	Net financing cash flows	-	4,129
	Net increase (decrease) in cash held	(770)	1,598
1.20	Cash at beginning of quarter/year to date	3,578	1,216
1.21	Exchange rate adjustments to item 1.20	-	(6)
1.22	Cash at end of quarter	2,808	2,808

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	172
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 \$172,147 relates to: <ul style="list-style-type: none"> - Director fees \$72,000 - Director-related entities \$100,147 	

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	N/A
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

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	-
3.2	Credit standby arrangements	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	450
4.2	Development	-
4.3	Production	-
4.4	Administration	300
Total		750

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	2,808	3,578
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		2,808	3,578

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	-	-	-
6.2	Interests in mining tenements and petroleum tenements acquired or increased	E08/2665	-	100%

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report****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	288,002,620	288,002,620		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	44,000,000	-	Exercise price \$0.138	Expiry date 31 Dec 2016
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		

+ See chapter 19 for defined terms.

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: 29 July 2016

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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