

29 April 2022

## QUARTERLY REPORT – QUARTER ENDED 31 MARCH 2022

Please find attached the Quarterly Activities Report and Appendix 5B for the three-month period ended 31 March 2022.

Yours faithfully,

**Simon Youds**  
**Executive Chairman**  
**Cauldron Energy Limited**

### ABN

22 102 912 783

### Address

Unit 47,  
Level 1  
1008 Wellington Street  
WEST PERTH WA 6005

PO BOX 1024  
West Leederville WA 6007

### ASX Code

CXU

### Securities on Issue

535,411,27730 shares  
10,000,0000 Unlisted Options (exercise: \$0.03; expiry 16-Sep-22)  
6,000,0000 Unlisted Options (exercise: \$0.05; expiry 16-Sep-23)  
61,001,898 Options (exercise price: \$0.05; expiry 30 Nov 2023)  
24,705,882 Unlisted Options (exercise: \$0.034; expiry 15-Mar-24)  
9,000,000 Performance Rights (expiring 10 August 2025)

### Board of Directors

Simon Youds  
Executive Chairman

Jess Oram  
Non-Executive Director

Qiu Derong  
Non-executive Director

Judy Li  
Non-executive Director

Chenchong Zhou  
Non-executive Director

Michael Fry  
CFO/Company Secretary

## **HIGHLIGHTS**

### **EXPLORATION & PROJECTS**

#### **Blackwood Gold Project**

##### During this Quarter:

- Challenges with the availability of experienced Kempe diamond drillers has impacted the drill program since work recommenced in early March 2022;
- These challenges have caused the drill program to be suspended for much of the last two months;
- To overcome these challenges, Cauldron has been working closely with the owner of the hired Kempe drill rig to train existing personnel hired from the local community. The intention is to provide the Company with a reliable operator, and ensure that drilling can then occur in a more continuous, consistent manner;
- Despite the challenges and frustrations, the Company is confident that it is now set for an uninterrupted run of drilling when the drill team returns to site in May 2022;
- In between drilling periods, Cauldron's underground development team has been extremely busy grouting, bolting, installing services and preparing drill pads such that all the work necessary to support the forthcoming phases of drilling is complete;
- Cauldron's geological team have designed a 37-hole drill program targeting a potentially high-grade, under-explored area adjacent to the Annie Laurie Reef, last mined during the 1860 – 90s;
- The drill designs are dynamic and flexible, meaning that the results of holes drilled may influence changes in design for the rest of the holes in the planned program. This occurs in any exploration program to make the drilling optimal for the target being tested, thus potentially increasing the chances of success;
- To enable continued exploration, the Company has applied for a Prospectors Licence (PL7763) over the Annie Laurie and Grace Egerton areas. This application has been accepted by the Victorian Earth Resources Regulation division (ERR) of the Department of Jobs, Precincts and Regions (DJPR) and is expected to be formally issued in Q4 2022/Q1 2023, pending changes within the Victorian State government.
- Gold spot price finished the quarter significantly higher at A\$1,935/oz (31 December 2021: A\$2,483/oz), has since continued to grow in strength and is presently trading at A\$2,676/oz as at the date of this report (*Source: Ycharts*).
- In terms of US\$, whilst the gold spot price finished the quarter significantly higher at US\$2,586/oz (31 December 2021: US\$1,828/oz) it has declined appreciably since and is presently trading at US\$1,904/oz as at the date of this report (*Source: Trading Economics*).
- The last 5 years has seen gold on a stellar run and this run looks set to continue based upon analysts' projections.

##### Future Activities

- The current proposed plan/timing of further work is as follows:
  - Continuation of drilling program designed to include 37 holes for ~1,100 metres.
  - Analysis of LiDAR data to continue for the identification of surface features such as surface workings and fault structures.
  - These data will allow the ground-proofing and validation of historical information and provide an additional tool for adjusting the design of current underground drilling.
  - Now that access has been established, drilling activities can start to benefit from the comprehensive data compilation and LiDAR analysis.
  - This continues the advancement of the project in testing the conceptual model of the south-plunging gold reefs promoted in the various mining periods since the 1860s.

### Background

- The Blackwood Goldfield project is located southeast of Daylesford, in the highly prospective Central Victorian Goldfields within which both Ballarat and Bendigo are also situated.
- The Project covers an area of about 24 km<sup>2</sup> and secures the most significant portion of the historic Blackwood Goldfield.
- From 1864 to 1960, the Blackwood Goldfield produced about 218,000 ounces of gold<sup>1</sup>.
- The Vendor of the Project has spent 25 years consolidating the leases specific to the area in question, providing a great opportunity for systematic exploration and development for the first time in recent history.
- Review of historical data has identified multiple high-priority targets for immediate testing.
- In mid-August, Cauldron commenced drilling at Blackwood following establishment of site operations and mobilization of personnel and equipment to site.
- The first two diamond drill-holes targeted a highly exciting area adjacent to the Annie Laurie Reef. Interpretation of this significant new target area results from a comprehensive technical review of all available historical reports.
- Both holes intersected a historically mined void – considered a very promising sign as it confirms that initial interpretations of the position of historical high-grade zones were accurate.
- The historical database compilation and review initiated during Project acquisition was revisited in 2021 with the addition of the new drilling data.
- A schematic long section of the Western Reef mines was compiled showing 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.
- In order to visually represent the undiscovered potential of the Blackwood Goldfield, the averaged depth of mining from Blackwood was used to normalize current production figures from operational goldfields such as Ballarat and Bendigo, to show the estimated production comparison at similar shallow depths.
- Results strongly suggest that the Blackwood Goldfield holds far more remaining potential for the same level of bonanza grades and tonnages as its neighbours in the surrounding region.

### **Yanrey Uranium Project**

#### During this Quarter

- No on-the-ground activities were conducted during the current quarter. Work on the design of further passive seismic work over a selection of tenements was commenced.
- Uranium spot price finished the quarter significantly higher at US\$58.18/lb (31 December 2021: US\$43.62/lb) and has since fluctuated appreciably touching an 11-year high of US\$64.50/lb on 13 April 2022 but subsequently re-tracing to a level of US\$53.5/lb as at the date of this report (*Source: Trading Economics*).
- According to Trading Economics, the decline in the uranium spot price is tracking the decline in energy commodity prices as expectations of higher interest rates and strict lockdowns in China lowered the demand for energy. Still, efforts to reduce carbon footprints support prices, with the US allocating \$6 billion to help power plants stay online amid rising maintenance costs, whilst the UK has announced it shall build eight nuclear reactors by 2030.

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<sup>1</sup> **Source:** Report titled “The Gold Mines of Blackwood” prepared by Erik Norum, Consultant Geologist, August 2018

### Future Activities

- Cauldron to plan and undertake further passive seismic work over a selection of tenements.

### Background

- Yanrey is prospective for large sedimentary-hosted uranium deposits and is host to the Bennet Well Uranium Deposit.
- The Bennet Well Uranium Deposit is comprised of four spatially separate domains; Bennet Well East, Bennet Well Central, Bennet Well South and Bennet Well Channel.
- The Mineral Resource (JORC 2012) estimate is:
  - Inferred Resource: 16.9 Mt at 335 ppm eU<sub>3</sub>O<sub>8</sub> for total contained uranium-oxide of 12.5 Mlb (5,670 t) at 150 ppm cut-off;
  - Indicated Resource: 21.9 Mt at 375 ppm eU<sub>3</sub>O<sub>8</sub> for total contained uranium-oxide of 18.1 Mlb (8,230 t) at 150 ppm cut-off;
  - total combined Mineral Resource: 38.9 Mt at 360 ppm eU<sub>3</sub>O<sub>8</sub>, for total contained uranium-oxide of 30.9 Mlb (13,990 t) at 150 ppm cut-off.
- Cauldron has not completed any substantive work on the mineralisation since the Mineral Resource was published in 2015.
- This has been entirely due to the lack of Departmental approval for programs put forward since the WA State Government election of March 2017 and the corresponding ban on uranium mining in June 2017.
- The Bennet Well Uranium Deposit is a palaeochannel-style, sandstone-hosted uranium deposit amenable to mining by the low-energy, low-cost method of In Situ Recovery (ISR).
- 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 North Carnarvon Basin.
- Historical work performed by Cauldron reinforces the Yanrey region as an emerging uranium province, containing potentially significant, as-yet undiscovered, economic uranium resources.

### Recent press

- There has been considerable press in recent times in relation to the benefits of nuclear power as a clean energy source as the world turns its eyes to decarbonisation and attempts to wean itself away from fossil fuels.
- The following are selected excerpts from a recent article that appeared in Forbes on-line business channel. The article is titled “Revival of Nuclear Energy Will Spark Uranium Market” – author Jon Markman

*War in Ukraine is causing an energy reset. Western governments are rethinking dependence on Russian oil and gas.*

*Prime Minister Boris Johnson announced last week that Britain will begin developing small scale, modular nuclear power plants. The new energy path is a big win for uranium assets.*

*The emergence of nuclear as a clean energy source seemed unlikely. Nuclear power has been derided for four decades. The number of plants globally peaked in 1996 when 17.5% of all electric power was generated in those facilities. Since then public has opinion soured and the political will to keep plants open waned.*

*Today these facilities generate only 10.3% of the world’s electricity. The oddity is nuclear power is clean, green, sustainable and statistically much safer than most other forms of power generation, according to research compiled by Our World in Data.*

*Nuclear facilities are essentially extremely large tea kettles. The power-generation process begins when a uranium atom is split in half to create fission. This releases a tremendous amount of energy. Rods of the fissionable material are cooled in water, creating steam that spins a turbine and creates electricity.*

*Most coal or natural gas power plants generate electricity the same way. The difference is uranium is a far more efficient source of energy. A single set of rods the size of a fireplace log holds enough energy to power 100 homes for a year. Uranium is also cleaner. Using it to create electricity does not release carbon into the atmosphere. This is especially as the world races toward zero emissions.*

Source: <https://www.forbes.com/sites/jonmarkman/2022/04/11/revival-of-nuclear-energy-will-spark-uranium-market/?sh=24ba2b727d46>

## **WA Sands Project**

### During this Quarter

- The Company continued to receive several expressions of interest for sand supply which it is currently working through. Shareholders will be updated if and when discussions result in a formal commitment being received.

### Background

- In late December 2020, Cauldron announced the acquisition of a 100% ownership interest in a number of river sand tenements located at the mouths of the Gascoyne (Carnarvon) and Ashburton (Onslow), and Fitzroy (Derby) Rivers in northern Western Australia, collectively covering an area of about 286 km<sup>2</sup>.
- As at the date of this report, the acquisition is partially complete, with ownership of four licences (EL08/2328, EL08/2329 and EL08/2462 and miscellaneous licence L08/71) transferred to Cauldron to date.
- Sand is the most consumed natural resource on the planet besides water and by far the largest globally mined commodity. It is estimated that over 40 billion tonnes of aggregate (sand and gravel) is consumed annually<sup>2</sup>.
- The demand for construction sand, found in the beds, banks and riverplains of rivers, as well as in lakes and on the seashore, is significant and likely to outstrip supply in years to come.
- High quality silica sand is a key ingredient in the manufacture of concrete. Additionally, the sand must be angular in shape so as to provide the necessary binding strength (through interlocking sand and aggregate grains) with the cement. The river mouth sand licences acquired by Cauldron are expected to contain high quality silica sand suitable for cement production.
- Cauldron is seeking to establish a concrete manufacturing business with an agreement reached with Kuuwa Rentals Pty Ltd to lease its T4 Sami Mobile Concrete Batching Plant, capable of producing a range of high strength quality concrete products. Contemporaneously, Cauldron signed an initial one-year property lease with Traditional Owner, Buurabalayji Thalanyji Aboriginal Corporation (**BTAC**), in Onslow's industrial zone to house the Mobile Concrete Batching Plant.

## **Project Generation**

- Cauldron remains vigilant to new project opportunities that complement the Company's project portfolio, are value accretive and have the potential to provide early cash flow. Shareholders will be informed of key developments if and when they occur.

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<sup>2</sup> **Source:** "Why the world is running out of Sand" BBC article dated 18 November 2019, author Vince Beiser

**Corporate**

- On 25 January 2022, the Company held its 2021 Annual General Meeting, taking advantage of the 2-month extension to hold annual general meetings allowed by ASIC. All resolutions were carried.
- On 18 March 2022, the Company completed a placement issuing 44,117,647 new fully paid ordinary shares at 1.7 cents each raising a total of \$0.75 million before costs. Participants in the placement were issued a total of 14,705,882 free attaching unlisted options which are exercisable on or before 15 March 2024, at an exercise price of \$0.034 cents (Unlisted Options). The Unlisted Options were issued on the basis of 1 free attaching option for every three shares subscribed for. In addition, the Lean Manager, Everblu Capital received a 6% Broker fee and 10 million Unlisted Options,
- On 16 March 2022, the Company released its half year financial report.
- Subsequent to the end of the quarter, on 14 April 2022, the Company received a cessation of substantial shareholder notice from Cyclone Metals Limited, the controller of Dempsey Resources Pty Ltd (Dempsey) notifying that Dempsey's shareholding interest in Cauldron had fallen below 5% due to dilution resulting from the Placement shares issued by Cauldron.

**Cash Position**

- As at 31 March 2022, Cauldron had circa \$0.8 million cash at bank (31 December 2021: \$0.7M).
- In addition, the Company holds a portfolio of shares in other ASX listed entities valued at approximately \$0.57 million as at the date of this report.
- The Company can continue to divest (in part or all) of its portfolio of shares in other ASX listed entities to meet short to medium term cash requirements.

Cauldron Energy Ltd (**Cauldron** or the **Company**) is pleased to present its Quarterly Activities Report for the period ended 31 March 2022.

## EXPLORATION ACTIVITIES: AUSTRALIA

In Australia, Cauldron holds a 51% joint venture interest in the Blackwood Gold Project located south-east of Daylesford, in the highly prospective Central Victorian Goldfields that surround Ballarat and Bendigo.

In December 2020, Cauldron announced the acquisition of a 100% ownership interest in a number of river sand leases located at the mouths of the Gascoyne (Carnarvon), Ashburton (Onslow) and Fitzroy (Derby) rivers in Western Australia, collectively covering an area of about 286 km<sup>2</sup>. As at the date of this report, the acquisition is partially complete, with ownership of four of the eight licences having transferred to Cauldron. For further information refer to the subsequent sections of this report.

In addition, Cauldron owns the Yanrey Project (**Yanrey**) consisting of 12 granted exploration licences for a total project area of 1,270 km<sup>2</sup> in Western Australia. Yanrey is prospective for large sedimentary-hosted uranium deposits and is host to the Bennet Well Uranium Deposit (**Bennet Well**).

## BLACKWOOD GOLD PROJECT

From 1864 to 1960 the Blackwood Goldfield produced about 218,000 ounces of gold from orogenic gold sources (199,000 ounces) and from placer sources (19,000 ounces).<sup>3</sup> Gold was won from surface down to a depth of 100 m below ground level, with very little mining activity below a depth of 150 m. The Sultan mine is the deepest in the goldfield with production levels at 230 m below ground surface and its shaft reaching 274 m, and still in payable gold.

For detailed information on the Blackwood Gold Project and historical work performed refer **Appendix A**.

### ***Work Completed During Reporting Period***

Challenges with the availability of experienced Kempe diamond drillers has impacted the drill program since work recommenced in early March 2022 on the second phase of underground drilling.

The Phase 2 program is intended to include 37 holes for ~1,100 metres and is designed to utilise the Tyrconnel Adit as a drill access point to target deeper high-grade plunges projected for the Eastern Reef systems (**Figure 1**) with no impact on surface. The Tyrconnel Adit runs ~1.5km east to west at approximately 100 metres below surface (**Figure 2**) and bisects many of the North-South orientated gold reefs.

To overcome the aforementioned challenges, Cauldron has been working closely with the owner of the hired Kempe drill rig to train existing personnel hired from the local community. The intention is to provide the Company with a reliable operator and ensure that drilling can then occur in a more continuous, consistent manner. Despite these frustrations, the Company is confident that it has overcome the range of issues it has experienced and is now set for an uninterrupted run of drilling when the drill team returns to site in the first week of May 2022. In between drilling periods, Cauldron's underground development team has been extremely busy grouting, bolting, installing services and preparing drill pads such that all the work necessary to support the forthcoming phases of drilling is complete. Cauldron's geological team have designed a 37-hole drill program targeting a potentially high-grade, under-explored area adjacent to the Annie Laurie Reef, last mined during the 1860 – 90s. The drill designs are dynamic and flexible, meaning that the results of holes drilled may influence changes in design for the rest of the holes in the planned program. This occurs in any exploration program to make the drilling optimal for the target being tested, thus potentially increasing the chances of success.

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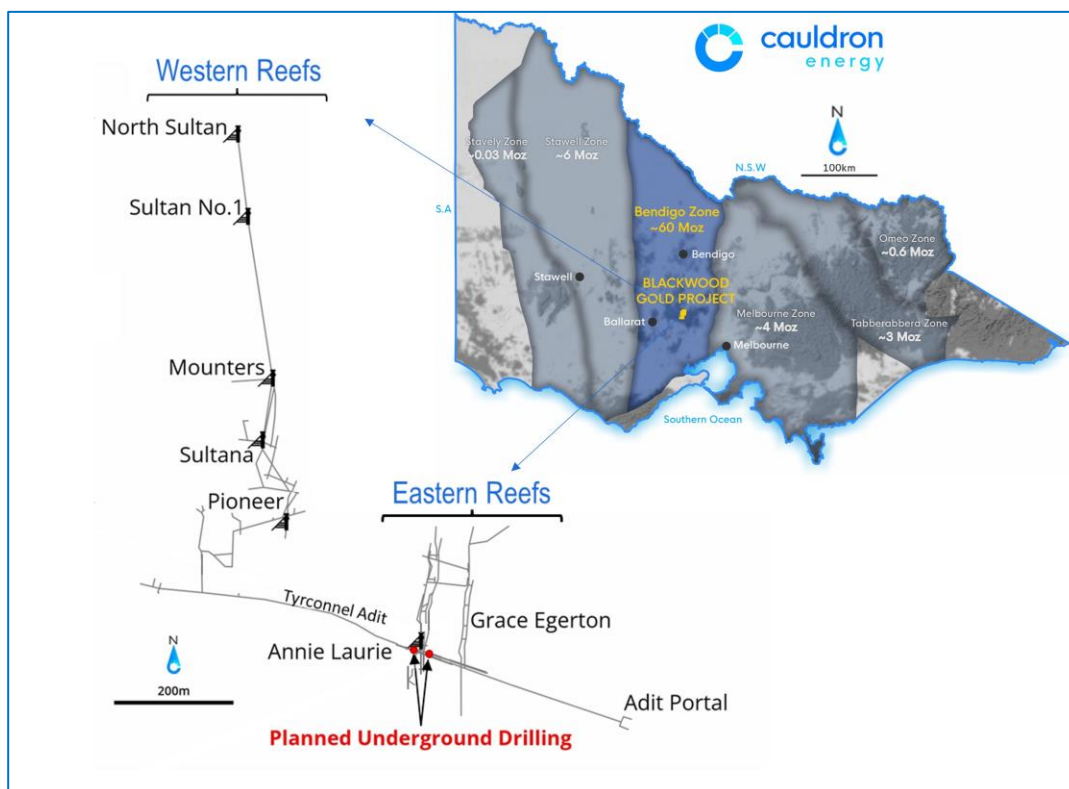
<sup>3</sup> **Source:** Report titled "The Gold Mines of Blackwood" prepared by Erik Norum, Consultant Geologist, August 2018



### Work Completed Previously

The first holes drilled in 2021 (BKD001 and BKD002) were drilled from the footwall, or eastern side, of the Annie Laurie reef targeting a potential high-grade zone in the hanging wall of the reef.

The Annie Laurie void was intersected by both holes, prior to reaching the interpreted depths of the intended targets. To obtain satisfactory drill core for sampling, it has been necessary to secure safe access through the intersecting area between the Annie Laurie reef and the Tyrconnel Adit. This allowed the redesign of the first phase of planned holes to drill this target from the western and hanging wall sides of the reef. Drilling from the hanging wall side of the reef was always planned, however this was intended to occur in the second phase of exploratory drilling later in the program.



**Figure 1: Blackwood Gold Project Location Map**

The complete extraction of the Annie Laurie by historical miners, while highlighting the original value of the reef, frustrated the team's initial efforts for an 'early win'. It was originally hoped that the initial target could be tested without needing to complete this work early in the campaign, however it quickly became obvious that completing the ground support work was in the long term interest.

The safe transition across the Annie Laurie reef system has now allowed the drill to be placed adjacent to the initial area of interest. The relative proximity of this zone to the area of ground support work was frustrating for the team since establishing the Tyrconnel tunnel in July this year. The stabilisation of the Tyrconnel - Annie Laurie intersection finally allowed the team closer access with the diamond drill to test this exciting area. As per the initial planned strategy, the Tyrconnel access will provide a platform for short and, if successful, multiple intersection points into the first of what the Company believes to be many similar areas of interest, following the results of continued interpretation work done by Cauldron's technical team.

The re-establishment and utilisation of these valuable and irreplaceable historical accesses has a second and crucial benefit of isolating this exploration drilling and any subsequent work from the surface. This ensures that the forested environment, its waterways and the hamlet of Barrys Reef above will not be impacted at all by the exploration work in progress at depth below them. The fundamental

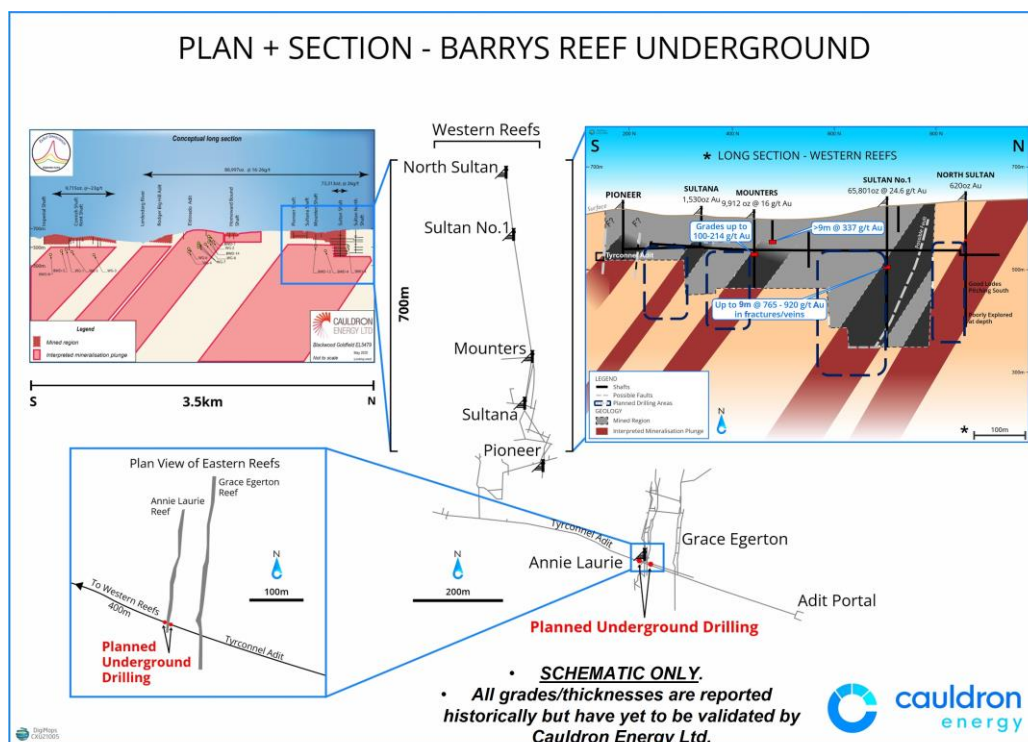


and innovative aspect of this work program can be a paradigm shift and challenges the binary view of mining versus environment and community. The Company believes this demonstrates that, with sensitive planning and continued respectful communication, there can be a resulting satisfactory compromise between providing the required value of resources for the wider community and improved protection measures for the surrounding pristine and tranquil environment.

The ground support work to secure the Tyrconnel / Annie Laurie reef junction was completed just prior to Christmas 2021, and occurred despite delays due to restrictions to equipment, consumables and inter-state travel related to COVID. High rainfall over the period both loaded up and weakened the aging support timbers (more than 100 years old), further delaying access across the reef to the intended drill site. It has, however, allowed the team to refine the ground support systems that Cauldron planned to use in the re-establishment of the extensive tunnel and shaft network, established in the 1860s, throughout the historically mined area.

Drilling will target the historically worked Eastern Gold Reefs, which are accessible from the Tyrconnel Adit<sup>4</sup>. Previous drilling, channel sampling and mapping have firmed up the potential of this specific target area adjacent to the Annie Laurie Reef. The reef at this level was last mined during the 1860 and early 1890s during the Victorian Gold Rush period which saw intense mining activity in the Barrys Reef area.

Cauldron has acquired local-scale LiDAR survey data for the Blackwood Gold Project area. The data formed part of the Greater Melbourne LiDAR Survey flown in 2017 – 2018 by the State Government of Victoria and the Department of Environment, Land and Water. Analysis of the LiDAR data was initiated for the identification of surface features such as surface workings and fault structures, which will allow the ground-proofing and validation of historical information and provide an additional tool for adjusting the design of current underground drilling. The addition of the LiDAR will also greatly benefit the drilling activities and continue the advancement of the project, testing the conceptual model of the south-plunging gold reefs promoted in the various mining periods since the 1860s.

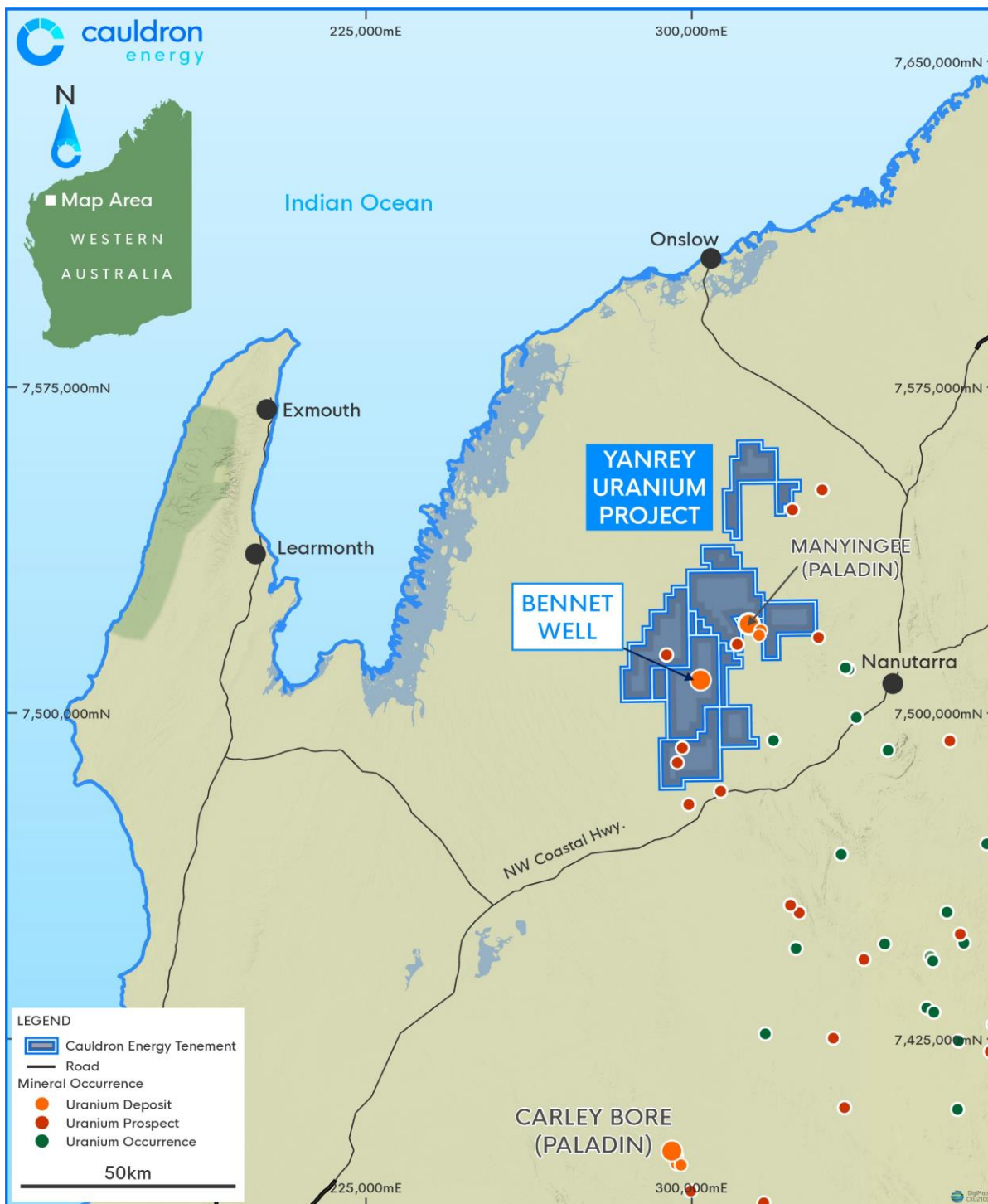


**Figure 2: Barrys Reef (Blackwood) Underground Workings – Western Reef System**

<sup>4</sup> Refer to ASX:CXU Announcement dated 16 November 2021

## YANREY PROJECT

The Yanrey Project comprises a collection of 12 exploration tenements in northwest Western Australia, one of which secures the Bennet Well Uranium Deposit (**Figure 3**).



**Figure 3: Yanrey Uranium Project Location (Western Australia)**

The mineralisation at Bennet Well is a shallow accumulation of uranium hosted in unconsolidated sands (less than 100 m downhole depth) in Cretaceous sedimentary units of the North Carnarvon Basin.

The project is prospective of sandstone-style uranium mineralisation capable of extraction by in-situ recovery mining techniques.

For detailed information on the Yanrey Project and historical work performed including the Bennet Well Resource refer **Appendix B**.

### ***Work Completed During Reporting Period***

No on-the-ground activities were conducted during the current quarter.

Work on the design of further passive seismic work over a selection of tenements was commenced.

A ban on uranium mining currently exists in Western Australia since June 2017.

### **URANIUM PRICE INFORMATION**

Uranium does not trade on an open market like other commodities. Buyers and sellers negotiate contracts privately. Prices are published by independent market consultants.

According to Trading Economics, Uranium spot price finished the quarter significantly higher at US\$58.18/lb (31 December 2021: US\$43.62/lb) and has since fluctuated appreciably touching an 11-year high of US\$64.50/lb on 13 April 2022 but subsequently re-tracing to a level of US\$53.5/lb as at the date of this report (Source: Trading Economics).



*Source: Trading Economics*

According to Trading Economics, the recent decline in the uranium spot price is **as a result of:**

*“the decline in the uranium spot price is tracking the decline in energy commodity prices as expectations of higher interest rates and strict lockdowns in China lowered the demand for energy. Still, efforts to reduce carbon footprints support prices, with the US allocating \$6 billion to help power plants stay online amid rising maintenance costs, whilst the UK has announced it shall build eight nuclear reactors by 2030.”*

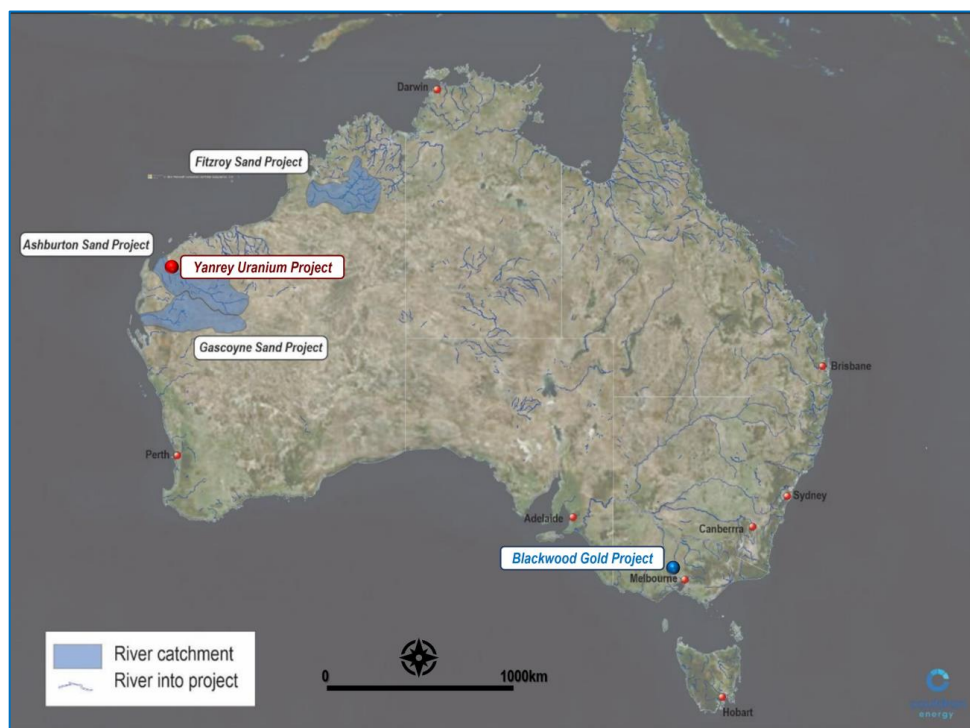
Despite the recent decline in price, analysts remain extremely positive about the price outlook in the medium term; with supply expected to experience further tightening and increasing commentary around uranium as a clean energy source and alternative to the burning of fossil fuels.

## **WA SANDS PROJECT**

In December 2020, Cauldron announced it had entered into a sale and purchase agreement (**SPA**) to acquire full ownership of a number of river sand leases covering substantial portions of three of the largest river systems crossing the coast in central to northern Western Australia. The licences cover the mouths of the Fitzroy River at Derby, the Ashburton River at Onslow and the Gascoyne River at Carnarvon, with each prospective for sand suitable for the construction and reclamation industries.

Sand is the most consumed natural resource on the planet besides water and by far the largest globally mined commodity. It is estimated that over 50 million tonnes of aggregate (sand and gravel) is consumed annually.

The Fitzroy, Ashburton River and Gascoyne rivers drain a huge area of granitic rocks commencing from its respective headwater all the way to the project area, being the mouth of the river (refer to **Figure 4**). Every time there is a flooding event somewhere in the catchment area, sand is deposited into the project area, replenishing the supply of sand and re-establishing the river mouth in its original a pristine condition. Some river mouths are being ‘swamped’ from flooding events, with excessive sand build-up preventing the use of high value infrastructure facilities, which adversely affect the economies of these regional economies.



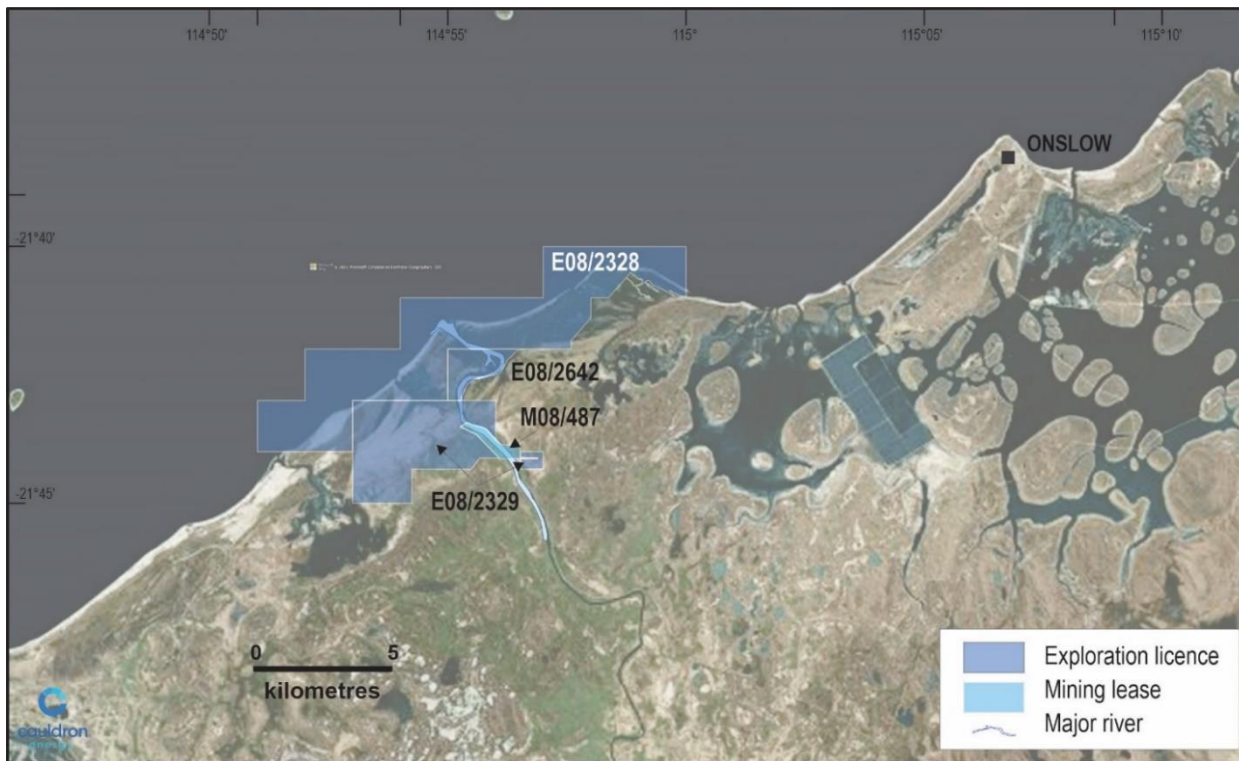
**Figure 4: Cauldron River Sands Project – Catchment areas draining into each project area.**



Cauldron expects to benefit from its ‘first mover status’ and having early participation in a global growth industry. Global usage of construction sand is estimated to be ten times that of global bulk coal and forty times bulk iron ore<sup>5</sup> with nearly all of the sand used in making concrete in southeast Asia being imported.

### Acquisition Status

The acquisition of the licences is partially complete as at the date of this report, with ownership of four of the eight licences having transferred to Cauldron. The licences transferred are EL08/2328, EL08/2329 and EL08/2462 and miscellaneous licence L08/71 and are located at the mouth of the Ashburton River in Onslow (see **Figure 9**) below:



**Figure 5: Ashburton River Sand Project – Mining Title (aerial photo underlay courtesy of Bing)**

The Project vendors have received a total of 8,000,000 fully paid shares (out of a total of 20,000,000 fully paid shares agreed) in Cauldron in respect of the tenements transferred to date. The balance of 12,000,000 fully paid shares in Cauldron will be issued to the Project vendors once all of the licences are transferred to Cauldron. In addition, the Project vendors are entitled to certain Production Payments and Royalties as set in the Company’s ASX announcement of 23 December 2020.

Cauldron notes that one of the Tenements being acquired, being Mining Lease Application 09/150, was listed as “dead” on the register maintained by the Department of Mines, Industry Regulation and Safety of Western Australia. Cauldron identified this fact as part of its due diligence conducted prior to entering into the agreement. The recording of MLA09/150 as “dead” followed a decision in the Western Australian Supreme Court in the case *Onslow Resources Ltd v The Minister for Mines and Petroleum* [2020] WASC 310, in which the Justice determined that the application for ML09/150 was invalid.

Onslow Resources Limited appealed this decision, as was its right, but was unsuccessful. Cauldron made a replacement application which has since passed the objection period without comment.

In addition, Cauldron notes that with respect to Mining Lease 08/487, that on 22 January 2021 proceedings were commenced against Quarry Park Pty Ltd, the Mining Registrar, the WA Minister for

<sup>5</sup> Refer ASX:CXU Announcement dated 23 December 2020

Mines and Petroleum and the Company in relation to the validity of ML08/487. As at the date of this report a decision is yet to be handed down in relation to this matter.

Neither MLA09/150 or ML08/487 is considered material to the overall transaction and Cauldron has and will proceed with the acquisition of the remaining Tenements whether or not each, or both, are ultimately included. If either is excluded the parties are agreed that they will consider an adjustment to the consideration to be paid, or a replacement of either of the tenements.

Another substantial change in the Company's tenure has been the refusal of Exploration Licence Application E09/1816 by the Department of Mines, Industry Regulation and Safety (DMIRS). The licence application was reportedly refused on 9 December 2021 however Cauldron Energy Ltd were not informed of this decision until it proactively made enquiries as to the status of the application in late February 2022. It was informed that a decision was still pending however, hours later, a digital copy of the refusal letter was received informing the Company of the DMIRS decision. The Company is investigating this further as no formal letter had been received at the Company's office or postal address.

In the meantime, Cauldron has reapplied for the area covered by the original E09/1816 under a fresh application (E09/2687).

For detailed information on the WA Sands Project and historical work performed refer **Appendix C**.

### ***Work Completed During Reporting Period***

During the quarter, the Company received several expressions of interest for sand supply which it is currently working through. Shareholders will be updated if and when discussions result in a formal commitment being received.

Work on the establishment of a concrete supply business continues with the Company in discussion with several parties.

### **EXPLORATION COSTS (ALL PROJECTS) FOR THE QUARTER**

In accordance with the requirements of ASX Listing Rule 5.3.1 the Company advises that during the quarter, the Company expended \$539k on exploration related items (including salaries). The major cost areas were Salaries and fees related to staff of: \$140k, Drilling and associated costs (drilling, equipment hire, consumables, ground control, site preparation, supervision, etc):\$329k; Rents (Department of Mines) and rates: \$42; and miscellaneous items: \$18k.

### **PROJECT GENERATION**

As a direct result of the current state government of Western Australia being opposed to uranium mining in Western Australia, field operations at the Yanrey Project have been suspended with the exception of work conducted at Flagstaff (E08/3088), a tenement ending its first year of tenure, and tenements in the north of the entire group. As a consequence, considerable effort and resources have since been directed at seeking advanced exploration projects in commodities other than uranium, to diversify the company's project portfolio. This culminated in the acquisition of the Blackwood Gold Project and the WA Sands Project.

Despite these acquisitions, and a relatively complete and diverse range of projects, Cauldron will remain vigilant to new project opportunities that complement the Company's project portfolio, are value accretive and have the potential to provide early cash flow.



## **CHANGES IN OWNERSHIP INTERESTS OF MINERAL TENEMENTS**

In accordance with the requirements of ASX Listing Rule 5.3.3 the Company confirms that the only change in tenements was the refusal of Exploration Licence 1816 (E09/1816) which formed part of the Sand tenure at Carnarvon. No other tenements (including beneficial interests in tenements) were acquired, disposed or lapsed during the quarter.

## **SCHEDULE OF MINERAL TENEMENTS**

Refer **Appendix D**.

### **CORPORATE**

- The Company's Annual General Meeting took place on 25 January 2022 with all resolutions being passed in favour.

	Resolution	Resolution Type	Poll Result					Result
			Voted For		Voted Against		Abstained	
			Number	%	Number	%	Number	
1	Adoption of Remuneration Report	Ordinary	135,675,599	84.01%	25,825,232	15.99%	19,500	Carried
2	Re-election of Director - Mr Chengchong Zhou	Ordinary	183,325,005	87.69%	25,740,036	12.31%	0	Carried
3	Re-election of Director - Ms Judy Li	Ordinary	183,325,005	87.69%	25,740,036	12.31%	0	Carried
4	Ratification of Prior Issue of Shares and Options	Ordinary	183,300,005	87.68%	25,765,036	12.32%	0	Carried
5	Approval of Additional 10% Placement Capacity	Special	182,954,809	87.51%	26,110,232	12.49%	0	Carried
6	Replacement of Constitution	Special	182,177,478	87.14%	26,887,563	12.86%	0	Carried

For full results refer ASX announcement of 25 January 2022 titled '*Results of Annual General Meeting*'.

- On 18 March 2022, the Company completed a placement issuing 44,117,647 new fully paid ordinary shares at 1.7 cents each raising a total of \$0.75 million before costs. Participants in the placement were issued a total of 14,705,882 free attaching unlisted options which are exercisable on or before 15 March 2024, at an exercise price of \$0.034 cents (Unlisted Options). The Unlisted Options were issued on the basis of 1 free attaching option for every three shares subscribed for. In addition, the Lean Manager, Everblu Capital received a 6% Broker fee and 10 million Unlisted Options,
- On 16 March 2022, the Company released its half year financial report.
- Subsequent to the end of the quarter, on 14 April 2022, the Company received a cessation of substantial shareholder notice from Cyclone Metals Limited, the controller of Dempsey Resources Pty Ltd (Dempsey) notifying that Dempsey's shareholding interest in Cauldron had fallen below 5% due to dilution resulting from the Placement shares issued by Cauldron.

## RELATED PARTY PAYMENT INFORMATION

In accordance with the requirements of ASX Listing Rule 5.3.5 the Company advises that during the quarter ended 31 March 2022 the following payments were made to directors of the Company and their associates:

	\$
Executive Chairman (1)	60,000
Non-Executive Director (2)	21,000
<b>Total</b>	<b>81,000</b>

Notes:

- (1) Fees paid to Mr Simon Youds (Executive Chairman) during the quarter comprised director fees of \$12,000 plus consultancy fees of \$48,000; and
- (2) Fees paid to Ms Judy Li (No-Executive Director) comprised non-executive director fees of \$3,000 per month and covered the period September 2021 – March 2022.

## AUTHORISATION FOR RELEASE

This report has been authorised for release by the Company's Executive Chairman, Simon Youds.

**End**

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

Cauldron Energy Limited

Ph: (08) 6117 3860

## Competent Person Statements

### Exploration Results

The information in this report that relates to exploration results for the **Blackwood Gold Project** is extracted from reports released to the Australian Securities Exchange (ASX) on 31 August 2020 titled "Victoria's Blackwood - Cauldron's Golden Opportunity", on 15 March 2021 titled "Blackwood Goldfield Project Update", on 25 June 2021 titled "Green Light for Exploration at Blackwood", on 5 July 2021 titled "Blackwood Gold Project Update – Drilling Contractor Engaged" and on 12 July 2021 titled "Highly Experienced Geologist joins Blackwood Team" and are 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 announcements released on 31 August 2020, 15 March 2021, 25 June 2021, 5 July 2021 and 12 July 2021.

The information in this report that relates to exploration results for the **Western Australian Sands Project** is extracted from reports released to the Australian Securities Exchange (ASX) on 23 December 2020 titled "Cauldron to Acquire River Sand Interests", on 9 February 2021 titled "Company Update – WA Sands Project" and on 1 June 2021 titled "Cauldron cements position in Ashburton Sand Project" and are 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 announcements released on 23 December 2020, 9 February 2021 and 1 June 2021.

### Mineral Resource Estimates

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.

## Disclaimer

This report has been prepared by Cauldron Energy Limited ("Company"). The material contained in this report is for information purposes only. This release is not an offer or invitation for subscription or purchase of, or a recommendation in relation to, securities in the Company and neither this release nor anything contained in it shall form the basis of any contract or commitment.

This report may contain forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Cauldron Energy Limited's business plans, intentions, opportunities, expectations, capabilities and other statements that are not historical facts. Forward-looking statements include those containing such words as could-plan-target-estimate-forecast-anticipate-indicate-expect-intend-may-potential-should or similar expressions. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, and which could cause actual results to differ from those expressed in this report. Because actual results might differ materially to the information in this report, the Company does not make, and this report should not be relied upon as, any representation or warranty as to the accuracy, or reasonableness, of the underlying assumptions and uncertainties. Investors are cautioned to view all forward-looking statements with caution and to not place undue reliance on such statements.

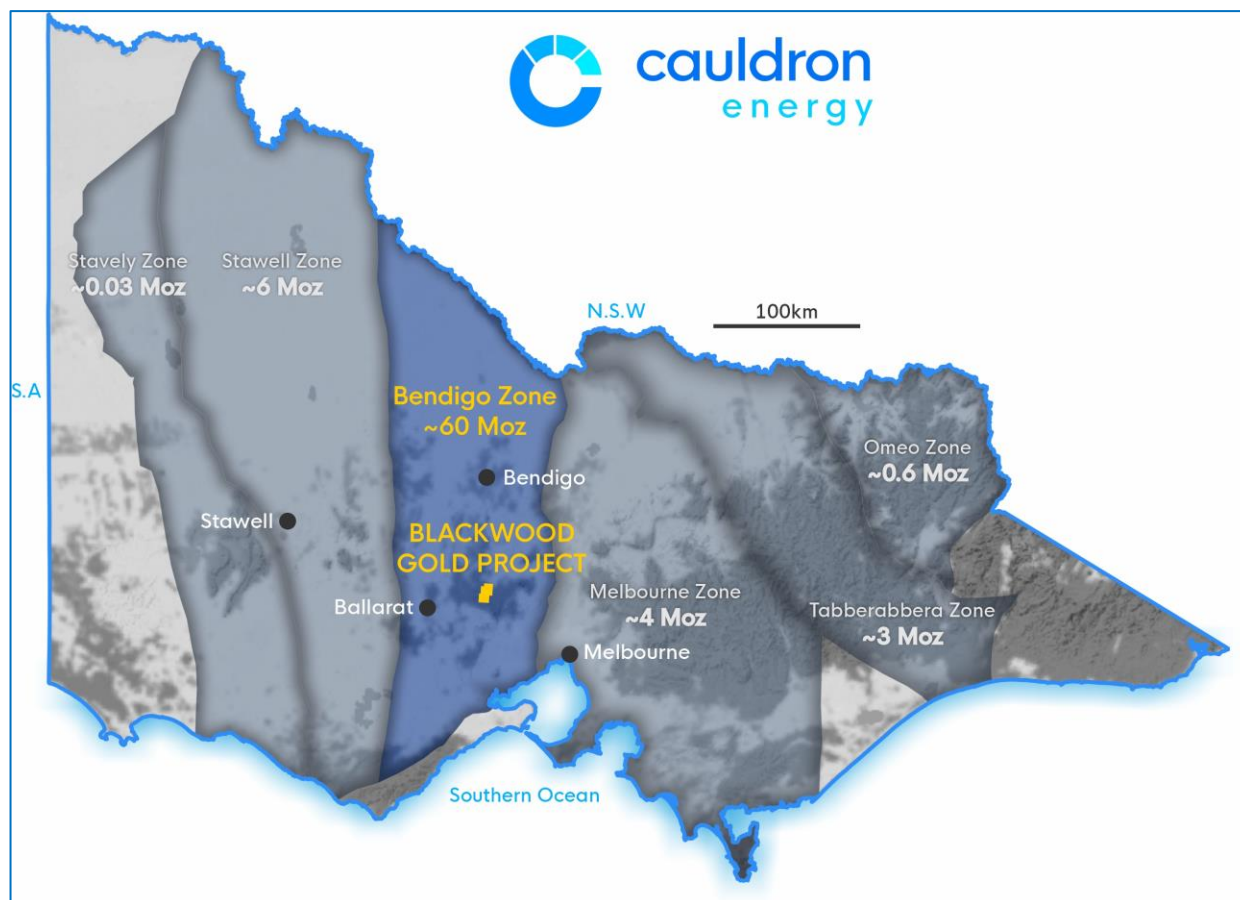
The report has been prepared by the Company based on information available to it, including information from third parties, and has not independently verified. No representation or warranty, express or implied, is made to the fairness, accuracy or completeness of the information or opinions contained in this report.

The Company estimates its reserves and resources in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves 2012 Edition ("JORC Code"), which governs such disclosures by companies listed on the Australian Securities Exchange.

## APPENDIX A

### Blackwood Gold Project

The Blackwood Gold Project comprises Exploration Licence (EL) 5479 covering an area of 24 km<sup>2</sup> located in central Victoria, 40 km east-northeast of Ballarat.



**Figure 6: Blackwood Gold Project – Location Map. Central Victorian structural zones showing historic gold production (modified after GeoVic3).**

The Exploration Licence is granted and in good standing with a licence expiry date of 23 March 2024.

Cauldron has an existing 51% joint venture ownership with stepped rights to earn-in to an initial level of 65% and then up to 80% ownership, following the achievement of certain milestones:

- CXU to earn 65% of the joint venture following achievement of a Mineral Resource (JORC 2012) containing at least 300,000 ounces of gold,
- CXU has a further right to earn-in to 80% ownership of the joint venture following the mining production of gold at a rate of at least 10,000 ounces per annum.

The Project is centred on the Sultan Mine which historically produced a little over 73,000 ounces of gold at an average grade of 28 g/t. In addition, the project contains in excess of 250 underground workings; with the largest known producers shown in **Table 1**, which follows.

**Table 1: Gold production various reef sources in Blackwood Goldfield**

Mine	Worked Depth [m]	Ore Mined [t]	Gold Produced [oz]	Grade [g/t Au]
North Sultan	243		620	
Sultan	231	82,000	73,310	28
Sultana	61		1,530	
Mounters	134	19,070	9,910	16
Homeward Bound	20		450	
Bog Hill	62		3,180	
Annie Laurie	76		270	
Grace Edgerton	62	1,090	2,850	80
British Lion			1,100	

*Source: Report titled “The Gold Mines of Blackwood” prepared by Erik Norum, Consultant Geologist, August 2018*

*Note: total reported production in this table is over 93,000 ounces of gold for the larger producers. However, inclusive of the smaller producers, total production for the entire goldfield is over 190,000 ounces*

Most mining activity on reef structures in the goldfield halted at shallow depths. Cessation of mining in many cases was not due to depletion of mineralisation but to other factors such as inability to cope with high ground water flows in the underground workings or inability to raise the capital for development work.

### Geology and Mineralisation of the Victorian Goldfields

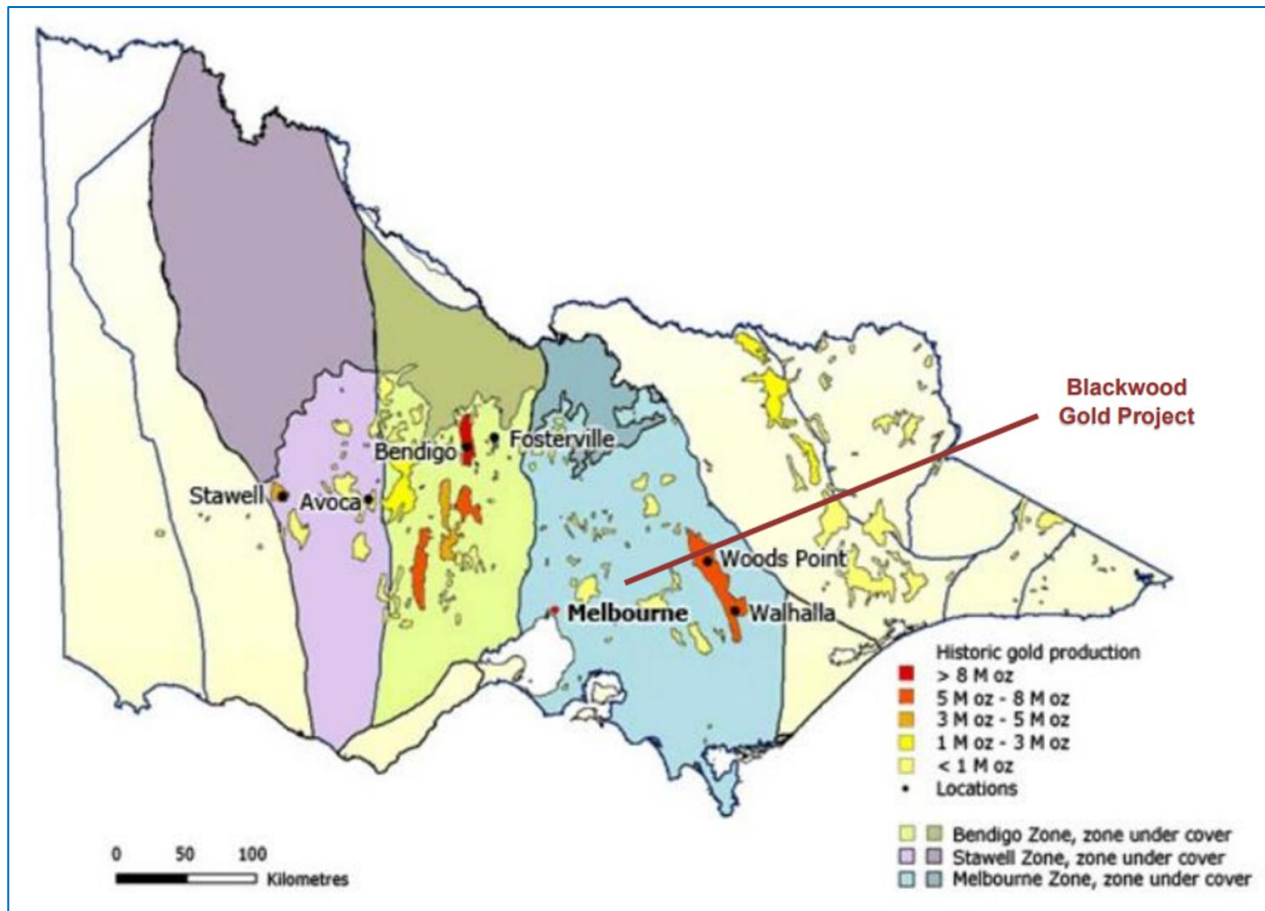
The Blackwood Gold Project is located in the highly prospective Golden Triangle.

The “Golden Triangle” is a colloquial term for a highly productive central portion the Victorian gold province, contains the Bendigo (>22.4 million ounces of gold production), Ballarat (>13.1 million ounces of gold production), Castlemaine (>4.2 million ounces of gold production) and Stawell goldfields (>2.6 million ounces of gold production)<sup>6</sup>.

The central portion of the Victorian gold province, one of the world’s most productive and until recently, largely forgotten gold producing areas, accounting for more than 2% of world gold production and 30% of Australian gold production since 1850.

The geology of Victoria is split into twelve distinct zones, each having a distinct stratigraphic, structural and lithological style. Of these zones, the Ballarat (mustard colours), Melbourne (blue colours) and Stawell zones (mauve colours) are historically the most productive for gold (refer to **Figure 7**).

<sup>6</sup> **Source:** Department of Earth Resources, Victoria website: [www.earthresources.vic.gov.au/geology-exploration/minerals/metals/gold](http://www.earthresources.vic.gov.au/geology-exploration/minerals/metals/gold)



**Figure 7: Victorian geological zones with goldfield coloured by production (GeoVic3)**

Gold mineralisation is associated with quartz hosted by tightly folded monotonous fine-grained sedimentary rock sequences (interbedded sandstone and siltstone becoming slate). The folds have upright geometry with trends that are oriented north-south. As folding developed the sequence 'locked-up' causing differential tension in the deforming and shortening rock sequence. Faulting released the built-up stresses leading the development of zones of weakness having some specific geometry relative to the north-south trending folds. Of the range of fault sets that develop on this 'locking up' folded geometry, the high angle reverse fault has a major influence on the development of mineralisation.

The combination of folding and faulting of certain geometry allowed dilational openings which localised the deposition of quartz, gold and minor sulphide mineralisation (refer to **Figure 8**). This process occurred over the regional area causing much of the lode-style mineralisation now known in the Victoria gold province.

Three-dimensional modelling of the Barrys Reef workings (Turner 2019) including the eastern reefs of Annie Laurie and Grace Egerton, as well as the Sultana-Mounters group leads to the following conclusions:

1. Gold-quartz structures are formed by interaction of faults that are sub-parallel to bedding, but when encountering a change in bedding orientation will refract with possible dilation.
2. Mineralised shoots may be controlled by the intersection of faults with bedding, some high-angle reverse faults refract as they pass through changes in competency of host rocks.
3. Reef structures are not always associated with anticlines or synclines.
4. Gold shoots plunge towards the south and dip towards the west; the vertical historic shafts markedly diverged from the shoots with increasing depth and quickly undershot the lode.



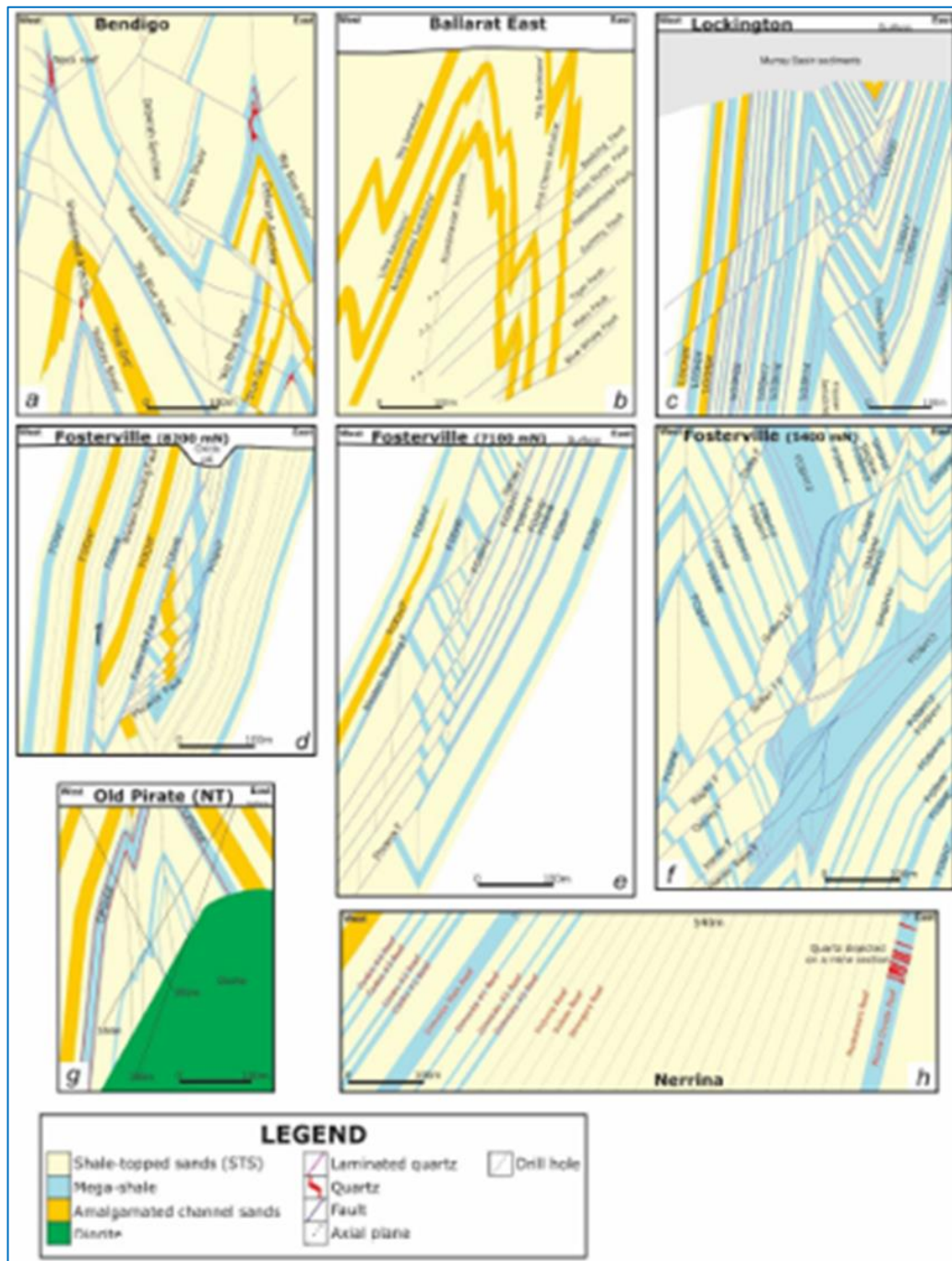


Figure 8: Typical fault intersections with folded sediments in Victoria (Boucher 2017)

These learnings will be used in drill targeting lode structures after compiling underground mapping data and assays.

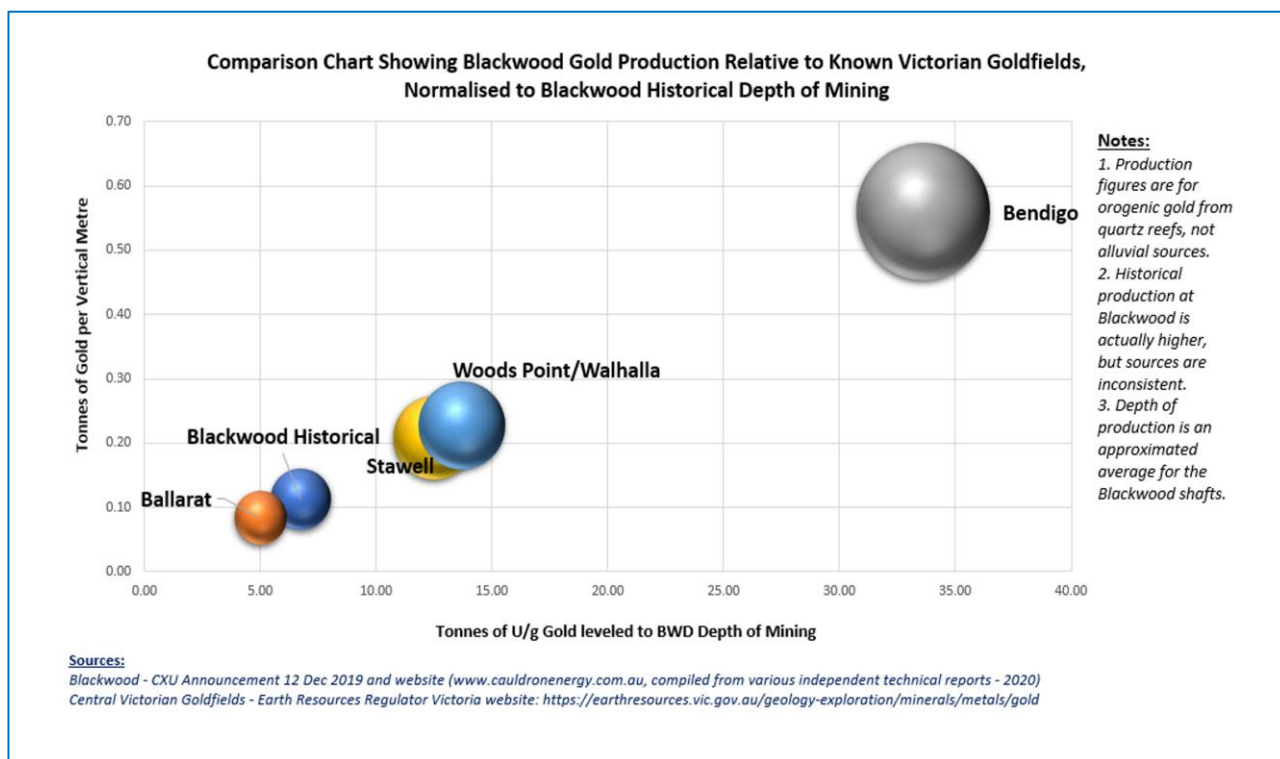
### Historical Exploration and Mining Activities

The discovery of gold at Red Hill (near Blackwood) in 1855, led to a rush of prospectors to the goldfields. It is reported that at the peak of mining activity, there were about 13,000 miners along the Lerderderg River and its tributaries.

Alluvial mining quickly gave way to underground hard-rock mining of gold-rich quartz reef structures. More than 90% of the gold produced from the Blackwood goldfields came from the hard rock source.

The largely forgotten Blackwood Goldfield produced significant gold (218,000 ounces pre-1890) from near surface historic mining, with great potential for large tonnage high grade gold, down-plunge and along strike of workings, most less than 100 m below surface.

Another way to represent the undiscovered potential of Blackwood is in visual comparison against its peers elsewhere in the Central Victorian Goldfields. Using an averaged depth of mining from all workings at Blackwood, historical gold production figures from the Project were used to normalise current production from present-day operational goldfields such as Ballarat and Bendigo. Cognisant of the fact that the existing mines have been extended to depths far greater than any historical mining at Blackwood, the Company normalised the known, recent production figures to the same depth of mining as the average for the Project. Results strongly suggest that the Blackwood Goldfield holds far more remaining potential for the same level of bonanza grades and tonnages as its neighbours in the surrounding region (**Figure 9**).



**Figure 9: Comparison Chart of Blackwood Historic Goldfield vs Current Production from Operating Goldfields, Central Victoria.**

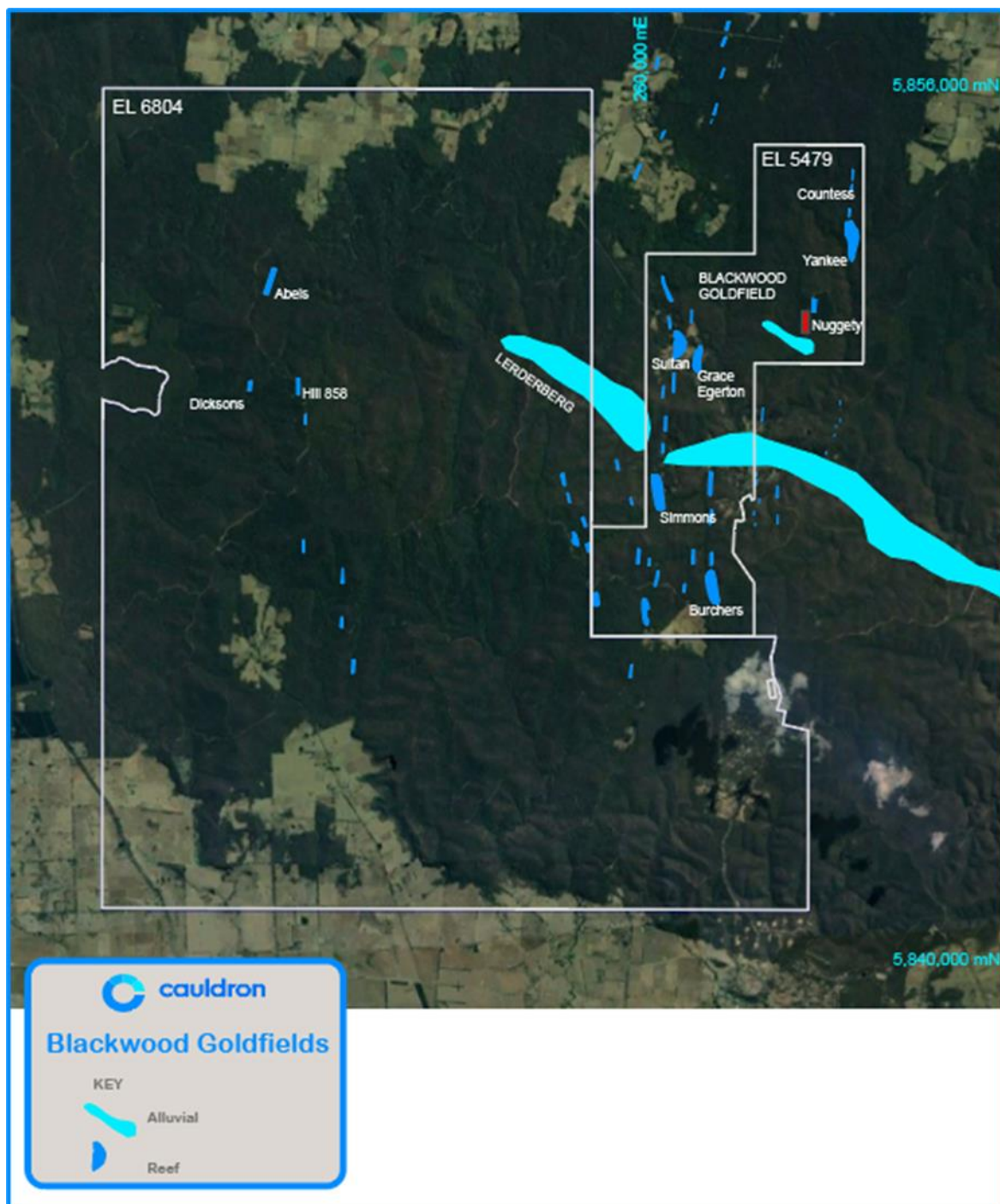


Figure 10: Prospect Location Map and Mines of Blackwood Goldfield.  
Blue points – mine site locations. Underlying aerial image – Google Earth.  
EL5479 is 51% owned; EL6804 is under application and subject to heads of agreement to acquire 100%

There is a cluster of mines along parallel but stepped reef structures around the Sultan Mine, including Central, Mounters, Intermediate, Pioneer, Homeward Bound, Western, Edgerton, and Annie Laurie, refer **Figure 10**. Often each of these lodes were owned and operated by different companies. The well-capitalised Sultan mine having the deepest workings effectively dewatered the workings of the adjacent mines. When pumping halted at Sultan the adjacent mines lacked the ability to keep their workings dry and ceased operations when their mines flooded. The operations ceased because of flooding as distinct to depletion of ore reserve.

Historical exploration work in the area of the exploration licences includes mineral resource definition drilling, completion of mineral resource estimates (not compliant with JORC 2012 reporting standards), mapping and soil sampling, costeaning and drilling.

Cauldron and independent researchers associated with the vendor has completed a desktop study with preliminary fieldwork and has identified highly prospective target areas for gold mineralisation in the Project area. There is potential for near-term production of gold ore from the mining lease at Nuggety. In addition, there is strong potential for down-dip extensions to mineralisation at Sultan, Barrys Reef East and Yankee, with ability to expand the Target Range and define a Mineral Resource (JORC 2012) of considerable size.

### ***Work Completed by Cauldron***

Work to date has been primarily focused on the compilation and review of historical data.

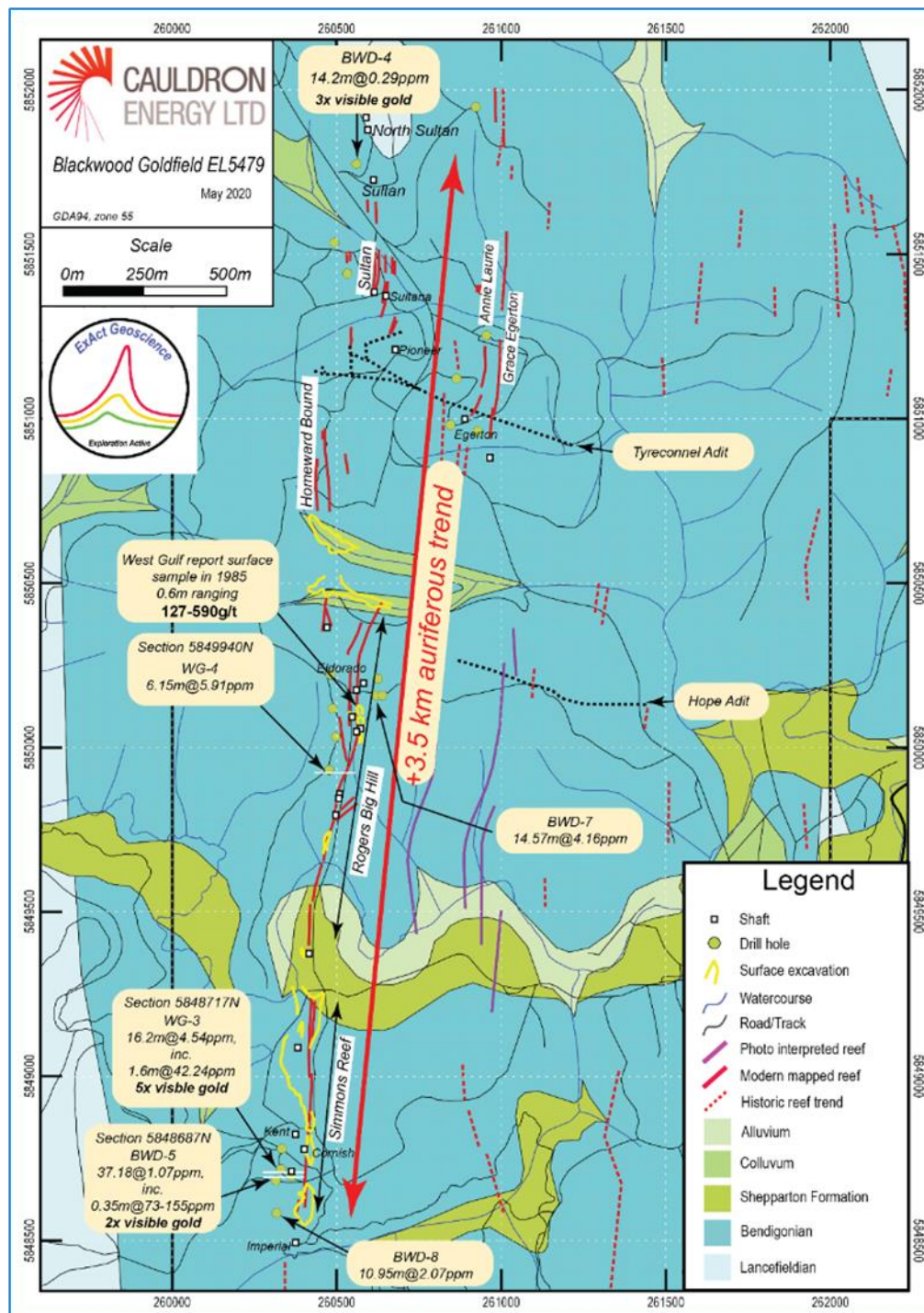
On 31 August 2020, the Company released preliminary results upon which it had determined that the Blackwood has the potential to host multiple high-grade gold systems and that there exists within the Project field a near contiguous 3.5km long trend of high-quality gold exploration targets.

Open file data<sup>7</sup> for historic mining demonstrates records production through the 3.5 km mineralised trend (see **Figure 11** below) totalling 152,000 oz, at between 16 to 23 g/t gold grade.

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<sup>7</sup> GSV bulletin number 18, 1906.





**Figure 11: Local-scale Geology and Prospect map with significant drilling intercepts.**

Nearly half the production was made from a single mine, a large proportion of the production grade was from reefs averaging over 20 g/t gold. Drilling and historic mine production records shows these high grades occur throughout the 3.5 km gold-rich trend.

Two listed companies of the past undertook significant exploration activity at the Blackwood Gold Project: Endeavour Resources Ltd (or “Endeavour”) and Western Gulf Oil and Mining Ltd. (or “Western Gulf”).

Endeavour completed surface mapping, underground mapping and sampling, underground refurbishment of historic workings, and diamond drilling; all within the Sultan and Grace Egerton lines of workings and regional along trend exploration drilling.

### **High Grade Nuggety Gold**

Many significant gold drilling intersections for both width and grade are revealed in the historic data. Several greater than 10 m downhole intersections (BWD04, BWD05, BWD07, BWD08, WG03, WG05, and WG09) exist, with many of these having geological descriptions noting the presence of visible gold (BWD04, BWD05, and WG03). It is also significant to note that some other visible gold intersections occur with returned assays of low-grade (less than 1 g/t Au).

Given that mineralisation is nuggety and because sampling was completed on half-core sample splits, we can say that below par assays are interesting and worth following up, especially if they are on-plunge to the defining shoot.

**Table 2: Significant Blackwood diamond drilling intersections.**

Hole number	Length	Au assay (g/t)	Depth (m)	Explorer	Comment
BWD02	1.27	1.37	102.20	Endeavour	
BWD04	14.28	0.29	126.16	Endeavour	Incl. 4x visible gold specs
BWD05	37.18	1.07	114.34	Endeavour	Incl. 0.3 5m @ 73-155 g/t from 130.65 m and 2x visible gold specs
BWD07	3.65	2.89	64.89	Endeavour	
BWD07	14.57	4.16	83.43	Endeavour	Core loss (0.91 m) with prior interval
BWD08	10.95	2.07	132.79	Endeavour	
BWD12	1.53	5.14	96.65	Endeavour	
BWD14	7.50	1.59	187.50	Endeavour	
DDHYC6	1.50	4.60	141.50	Carpentaria	
WG01	1.60	2.40	103.45	Western Gulf	
WG01	4.27	0.21	138.10	Western Gulf	
WG02	0.55	8.99	93.40	Western Gulf	
WG03	16.2	4.54	141.25	Western Gulf	incl. 1.6 m @ 42.2 g/t and 3.8 m @ 1.98 g/t and 3x visible gold specs
WG04	6.15	5.90	142.5	Western Gulf	Incl. 0.95 m @ 17.14 g/t
WG05	10.05	0.54	121.95	Western Gulf	incl. peak value of 0.9m @ 3.84 g/t
WG07	4.80	1.17	109.00	Western Gulf	
WG07	4.55	2.10	137.35	Western Gulf	
WG08	6.95	0.67	105.55	Western Gulf	
WG09	0.90	1.61	N/A	Western Gulf	
WG09	10.35	0.56	N/A	Western Gulf	
WG09	4.00	0.45	N/A	Western Gulf	

The upper expectation for this nuggety style of gold mineralisation is shown by BWD05 returning a drill intercept of 0.35 m @ 73-155 g/t, and WG03 of 1.6 m @ 42.2 g/t, and by WG04 of 0.95 m @ 17.14 g/t.



These drilling results were matched with core having geological descriptions noting visible gold, except for WG05.

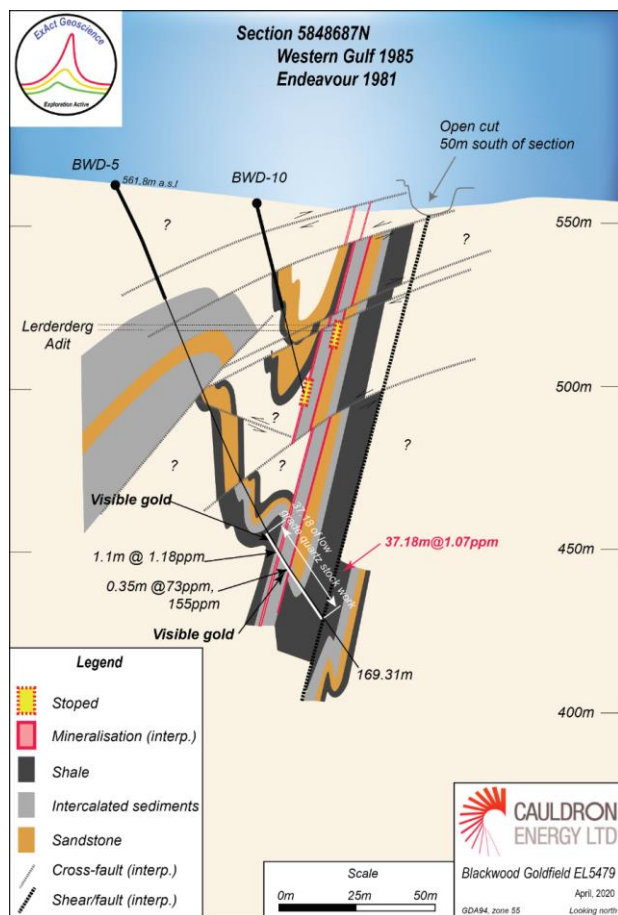
For coarse gold systems such as at Blackwood, it is often difficult to maintain assay accuracy and precision in samples assay due to the 'nuggety' behaviour of gold grains. The assay returns of BWD04, located north of the Sultan Mine, which shows low grade returns of 14.28 m @ 0.29 g/t Au (see **Figure 18**) but with four specs of visible gold, has the potential to be as significant as the high-grade drill intercepts referred above, and warrants follow-up.

### High Quality Exploration Targets

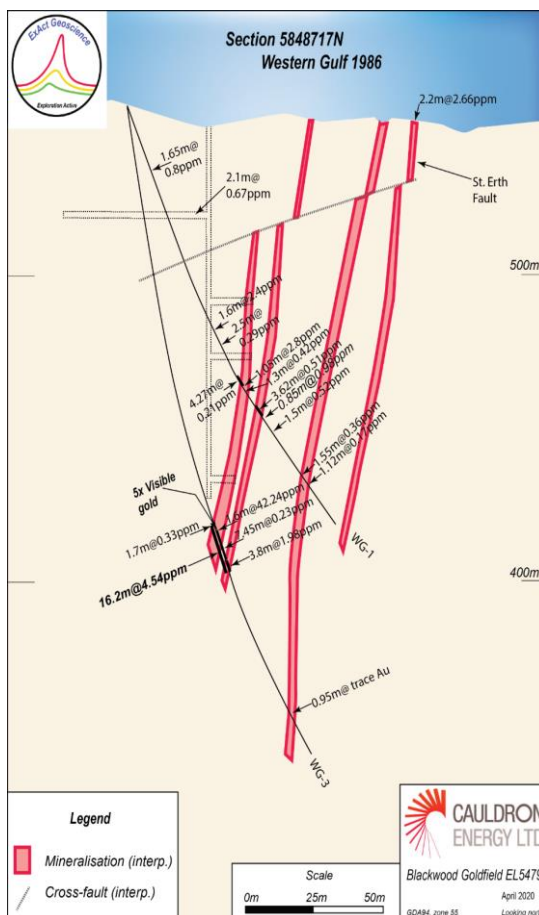
**Figure 12** and **Figure 13** show along trend profile in the Simmons - Rogers Big Hill - Sultan trend (refer to **Figure 11**).

These sections are approximately 30 m apart and indicate the true width of mineralisation in the order of 10 m with bulk gold grade likely to be well above 1 ppm (the nugget affect).

Both sections were drilled by different explorers, with visible gold noted in the geological descriptions.



**Figure 12: Interpreted cross-section for diamond drillhole BWD05**



**Figure 13: Interpreted cross-section for diamond drillhole WG03 and WG01**

The section in **Figure 12** demonstrates the Rogers - Big Hill – Simmons - Sultan mineralised trend contains the potential for other mineralised structures further to the east of the main lode structure. If this is the case drillholes BWD-5 and BWD-10 will have stopped short of the eastern structures leaving them untested and viable good quality targets. The interpretation of multiple lodes at Homeward Bound and Sultan (**Figure 14**) also provides for untested lode structures parallel to the main vein.

Overall, there appears to be significant walk up to exploration targets of the same trend, and little exploratory Greenfields exploration has been undertaken on other historically mined trends to the east.

On 23 September 2020, the Company released further results of its data compilation and review, noting that it had identified that the central area of the Project (containing the Rogers Big Hill, Eldorado and Homeward Bound prospects) had a geological system like that of Sultan to the north, which produced a little over 73,000 ounces of gold at an average grade of 28 g/t during the 1860's. In addition, it noted that the near surface gold mineralisation at Rogers Big Hill is of bonanza grade and is projecting to depth.

In that release Cauldron noted that there is a parallel stack of reefs which dip west, plunge south. The reefs are open north and south along-strike and open down-plunge towards depth, refer to the long-section of **Figure 14**.

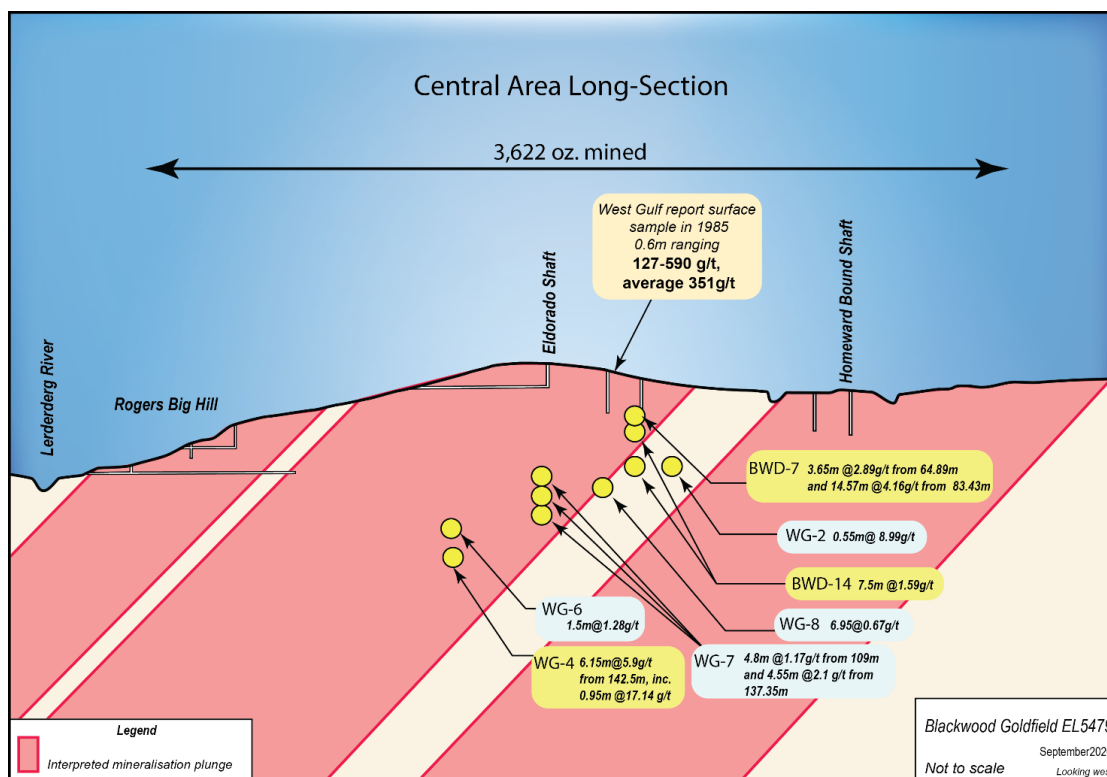
This Central area is referred to as Rogers Big Hill and comprises three historical mining zones namely Rogers Big Hill, Eldorado and Homeward Bound, refer to **Figure 14**.

### Prospectivity

Rogers Big Hill is a high-quality advanced exploration prospect evidenced by its high grade and potential for extension.

The potential exists to increase Mineral Resource because the area shows a geological pattern like the Sultan<sup>8</sup> (refer to ASX announcement dated 31 August 2020) where multiple parallel lodes trend in a corridor toward the north and south, reminiscent of those found elsewhere in the Victorian goldfields.

The cross-section in **Figure 14** demonstrates the parallel clustering of lodes.

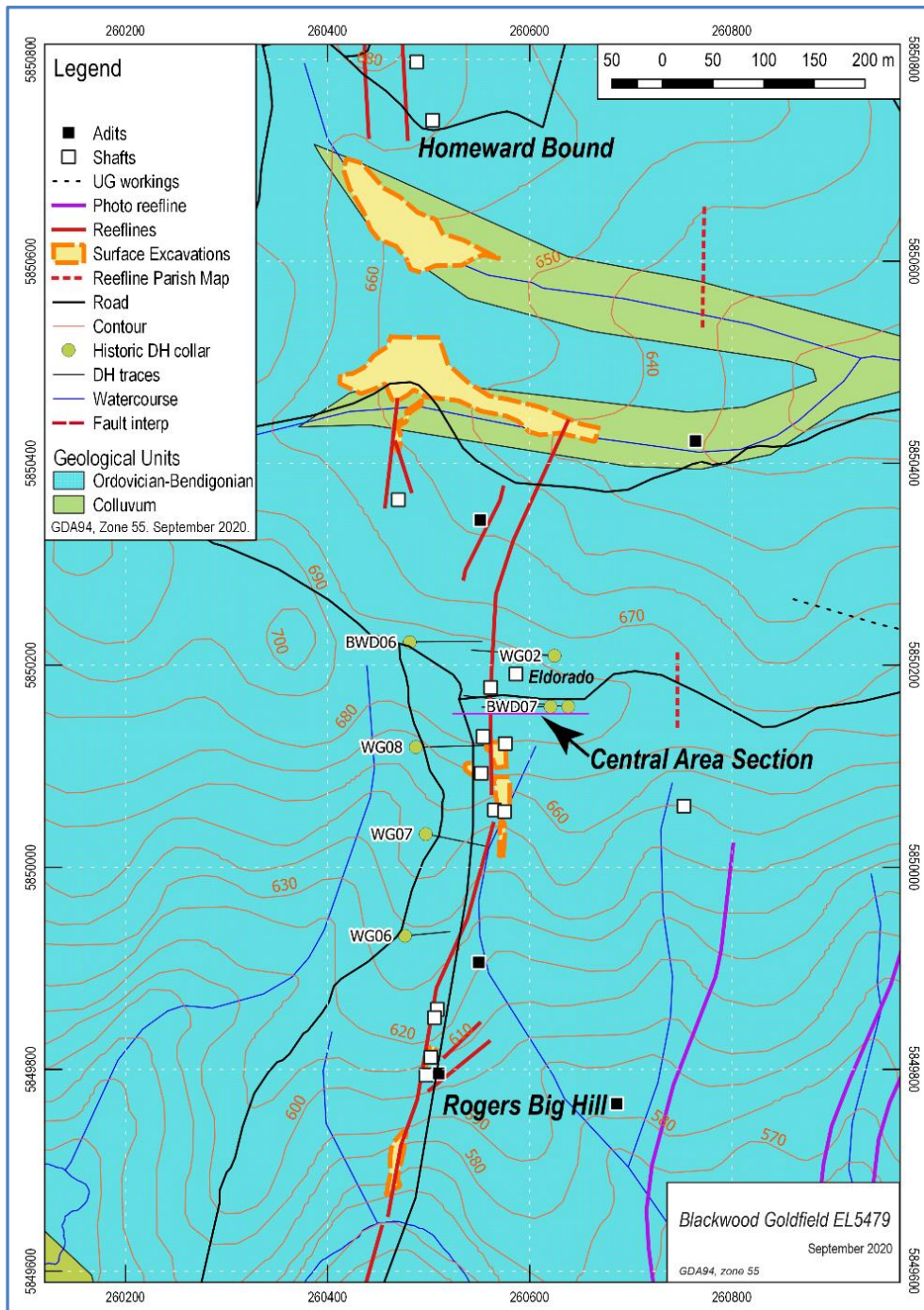


**Figure 14: Long-section of Central prospect area looking west, yellow point shows drilling pierce point with grade**

<sup>8</sup> Refer ASX:CXU Announcement dated 31 August 2020

The plan of **Figure 15** shows the Homeward Bound line of lodes is open to the south into the Rogers Big Hill area. Given the evidence, the linear trend of these lodes can be interpreted to continue within 100 metres west of the Rogers Big Hill lodes.

This exploration target stands alongside the potential provided by the Sultan lines-of-lode to the north and Simmons lines-of-lode to the south.



**Figure 15: Plan view of Central prospect areas containing Cross-Section N5850158**



## APPENDIX B

### Bennet Well Mineral Resource

A Mineral Resource (JORC 2012) for the mineralisation at Bennet Well was completed by Ravensgate Mining Industry Consultants (Ravensgate) in 2015 and is based on information compiled by Mr Jess Oram, Executive Director of Cauldron Energy and Mr Stephen Hyland, who was 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.

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 four spatially separate deposits; namely Bennet Well East, Bennet Well Central, Bennet Well South and Bennet Well Channel (**Figure 16** and **Figure 17**).

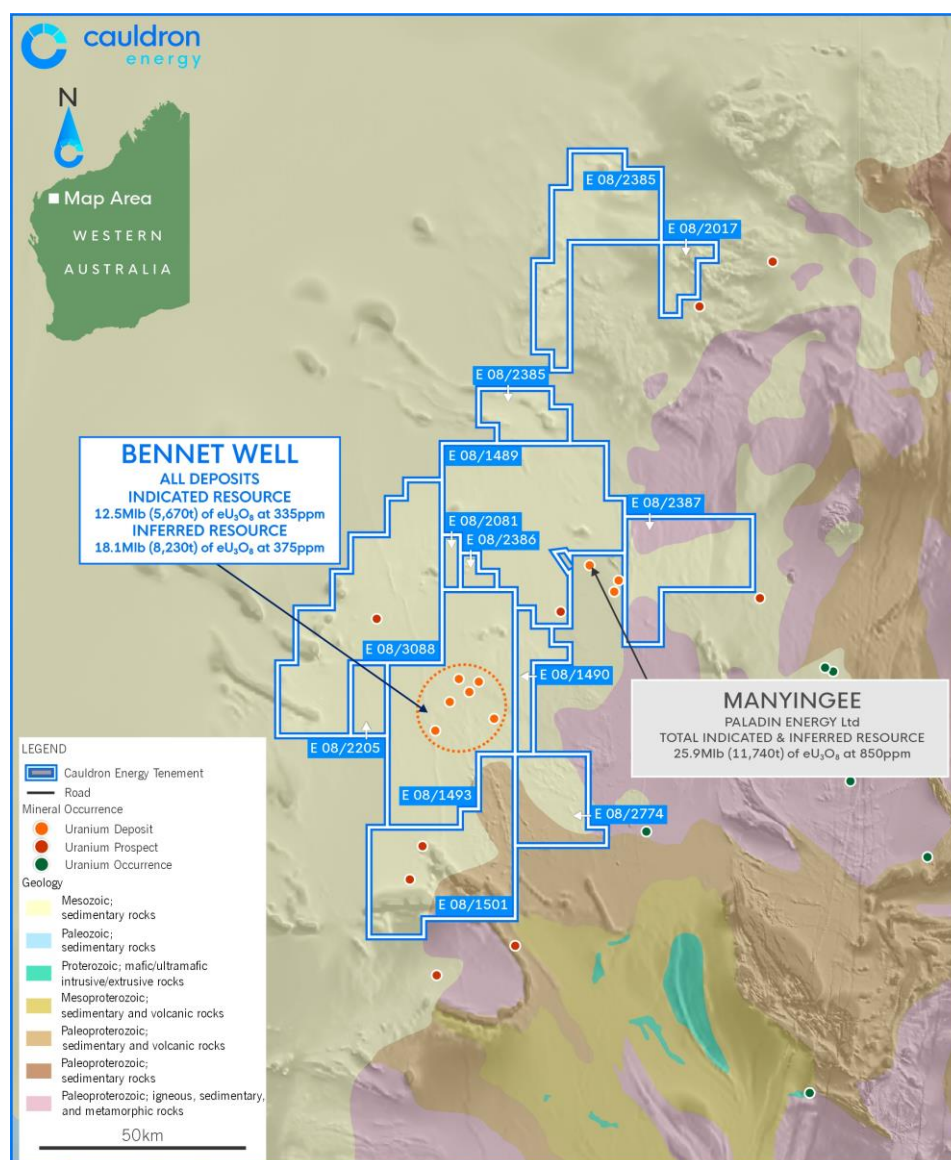


Figure 16 – Location map of the Yanrey Uranium Project and Bennet Well Uranium Deposit

**Figure 17 – Bennet Well Uranium Deposit and spatial distribution of domains.**

The Mineral Resource (JORC 2012) estimate is:

- Inferred Resource: 16.9 Mt at 335 ppm eU<sub>3</sub>O<sub>8</sub> for total contained uranium-oxide of 12.5 Mlb (5,670 t) at 150 ppm cut-off.
- Indicated Resource: 21.9 Mt at 375 ppm eU<sub>3</sub>O<sub>8</sub> for total contained uranium-oxide of 18.1 Mlb (8,230 t) at 150 ppm cut-off.
- total combined Mineral Resource: 38.9 Mt at 360 ppm eU<sub>3</sub>O<sub>8</sub>, for total contained uranium-oxide of 30.9 Mlb (13,990 t) at 150 ppm cut-off.

**Table 3: Mineral Resource (JORC 2012) at various cut-off**

Deposit	Cut-off (ppm eU <sub>3</sub> O <sub>8</sub> )	Deposit Mass (t)	Deposit Grade (ppm eU <sub>3</sub> O <sub>8</sub> )	Mass U <sub>3</sub> O <sub>8</sub> (kg)	Mass U <sub>3</sub> O <sub>8</sub> (lbs)
Bennet Well_Total	125	39,207,000	355	13,920,000	30,700,000
<b>Bennet Well_Total</b>	<b>150</b>	<b>38,871,000</b>	<b>360</b>	<b>13,990,000</b>	<b>30,900,000</b>
Bennet Well_Total	175	36,205,000	375	13,580,000	29,900,000
Bennet Well_Total	200	34,205,000	385	13,170,000	29,000,000
Bennet Well_Total	250	26,484,000	430	11,390,000	25,100,000
Bennet Well_Total	300	19,310,000	490	9,460,000	20,900,000
Bennet Well_Total	400	10,157,000	620	6,300,000	13,900,000
Bennet Well_Total	500	6,494,000	715	4,640,000	10,200,000
Bennet Well_Total	800	1,206,000	1175	1,420,000	3,100,000

Deposit	Cut-off (ppm U <sub>3</sub> O <sub>8</sub> )	Deposit Mass (t)	Deposit Grade (ppm U <sub>3</sub> O <sub>8</sub> )	Mass U <sub>3</sub> O <sub>8</sub> (kg)	Mass U <sub>3</sub> O <sub>8</sub> (lbs)
BenWell_Indicated	125	22,028,000	375	8,260,000	18,200,000
<b>BenWell_Indicated</b>	<b>150</b>	<b>21,939,000</b>	<b>375</b>	<b>8,230,000</b>	<b>18,100,000</b>
BenWell_Indicated	175	21,732,000	380	8,260,000	18,200,000
BenWell_Indicated	200	20,916,000	385	8,050,000	17,800,000
BenWell_Indicated	250	17,404,000	415	7,220,000	15,900,000
BenWell_Indicated	300	13,044,000	465	6,070,000	13,400,000
BenWell_Indicated	400	7,421,000	560	4,160,000	9,200,000
BenWell_Indicated	500	4,496,000	635	2,850,000	6,300,000
BenWell_Indicated	800	353,000	910	320,000	700,000

Deposit	Cut-off (ppm U <sub>3</sub> O <sub>8</sub> )	Deposit Mass (t)	Deposit Grade (ppm U <sub>3</sub> O <sub>8</sub> )	Mass U <sub>3</sub> O <sub>8</sub> (kg)	Mass U <sub>3</sub> O <sub>8</sub> (lbs)
BenWell_Inferred	125	17,179,000	335	5,750,000	12,700,000
<b>BenWell_Inferred</b>	<b>150</b>	<b>16,932,000</b>	<b>335</b>	<b>5,670,000</b>	<b>12,500,000</b>
BenWell_Inferred	175	14,474,000	365	5,280,000	11,600,000
BenWell_Inferred	200	13,288,000	380	5,050,000	11,100,000
BenWell_Inferred	250	9,080,000	455	4,130,000	9,100,000
BenWell_Inferred	300	6,266,000	535	3,350,000	7,400,000
BenWell_Inferred	400	2,736,000	780	2,130,000	4,700,000
BenWell_Inferred	500	1,998,000	900	1,800,000	4,000,000
BenWell_Inferred	800	853,000	1285	1,100,000	2,400,000

**Note:** table shows rounded numbers therefore units may not convert nor sum exactly

In November 2021, Cauldron released the results of its passive seismic work program conducted at its Flagstaff tenement, situated approximately 10 kilometres northwest of the Bennet Well Uranium Deposit.

The passive seismic results highlight multiple new targets over areas of unusual basement complexity. This structural information will assist in further developing the systems-style exploration model. Despite the restrictions put on uranium explorers by the current political climate in Western Australia, the



completion of the passive seismic surveys prove that Cauldron is still dedicated to progressing the Yanrey Uranium Project as much as it possibly can.

The ISR style of uranium extraction is the most energy-efficient mining method with the lowest mining cost and, hence, the lowest carbon footprint. Given the changing focus on the global energy crisis, nuclear energy is being increasingly recognised as the sustainable solution to incorporate into solving the world's energy issues. Australian society appears to be shifting its thinking towards the realisation that nuclear energy must be incorporated into an energy mix in order to help decarbonise the nation's economy at a realistic and reasonable cost.

Cauldron first trialled the Tromino-based passive seismic system (or **passive seismic**) in June 2016, with an orientation survey over Bennet Well. Passive seismic had just been introduced to the Australian Minerals industry and was thus a novel and innovative exploration tool. This geophysical survey method was employed by Cauldron in an attempt to map the topographic surface of the granite basement underlying the palaeochannel. Geological understanding of basement dynamics considerably increases the probability of exploration success, and the efficacy of smarter exploration target generation.

The 2016 orientation survey (**Figure 18** and **Figure 19**) revealed that:

1. the topographic surface of the basement sequence (i.e., the base of the mineralised palaeochannel) can be mapped to relatively high accuracy at a fraction of the cost of a conventional geophysical survey.
2. an inexpensive, non-drilling, technique can be used to expand the exploration model and generate drill targets in areas both proximal to Bennet Well and previously unexplored, more distal locations.
3. this same inexpensive, non-invasive, technique can also be used to establish an important parameter of the hydrogeological framework of the deposit.
4. survey designs can be flexible in order to delineate areas in which uranium mineralisation is currently unknown but prospectivity remains. Target prospectivity is based on historical exploration work completed to date and untested anomalies from reprocessed geoscientific datasets.

In March 2020, Cauldron re-acquired Exploration Licence E08/3088 (Flagstaff), which is situated approximately 10 kilometres to the northwest of Bennet Well. Based on the success of the 2016 and 2017 deposit- and later regional-scale passive seismic, the Company planned additional surveys over Flagstaff. Using the existing systems-style exploration model, Cauldron designed a tenement-wide survey to map the base of the palaeochannel system in a poorly explored area northwest of its flagship deposit.

In March 2021, Cauldron engaged independent geophysical consultants, Resource Potentials Pty Ltd (**Resource Potentials**, Perth), to complete a passive seismic survey over its Flagstaff tenement. Surveys initially began in April 2021 however, due to unusually intense, out-of-season, weather systems, rainfall during the year has been highly excessive. The Resource Potentials field crew were forced to temporarily cease the surveys until the ground dried out and access was regained. Despite this obstacle, and with the added assistance of another independent consultancy, Atlas Geophysics Pty Ltd (**Atlas Geophysics**), the surveys were completed by early November 2021.

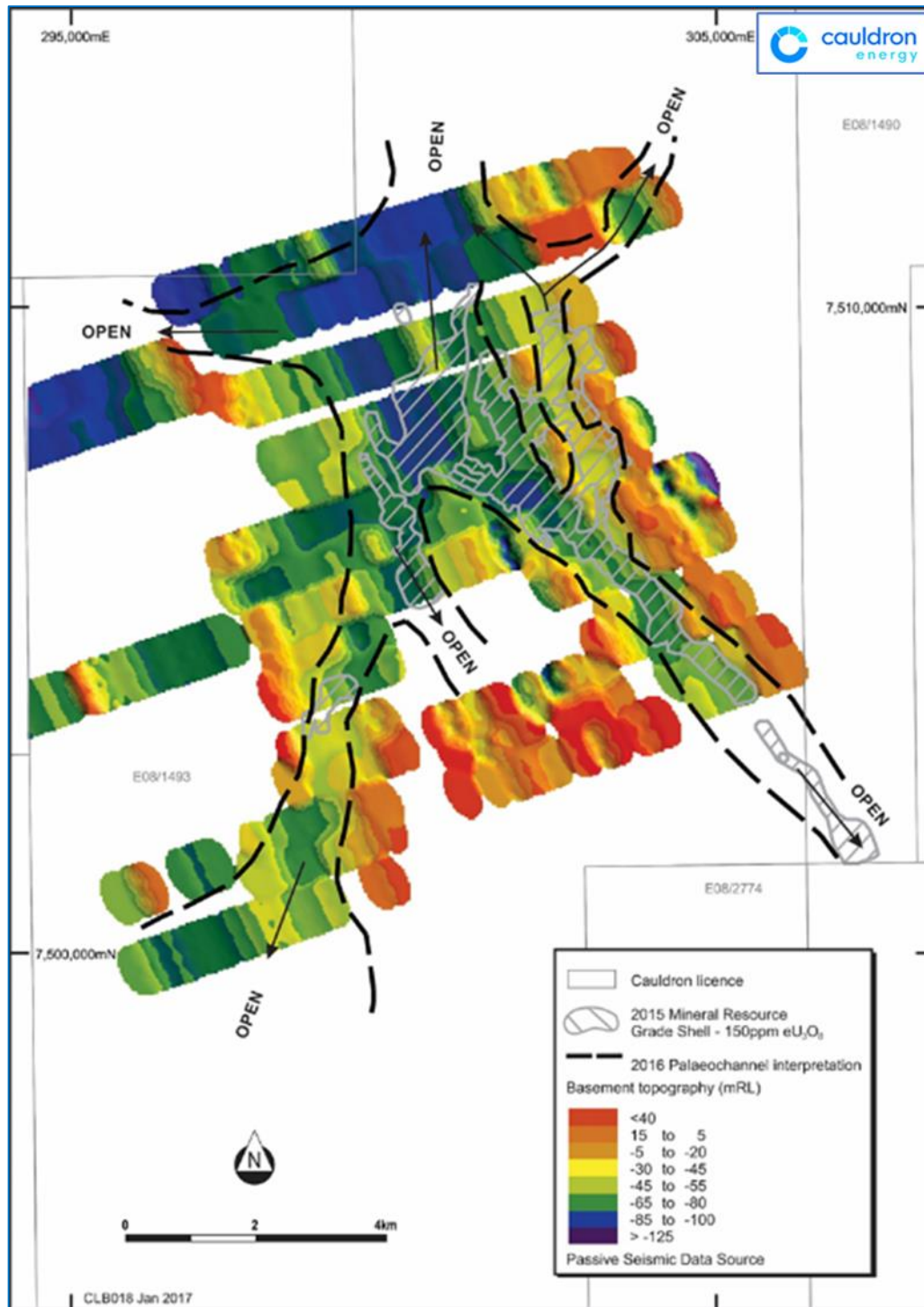
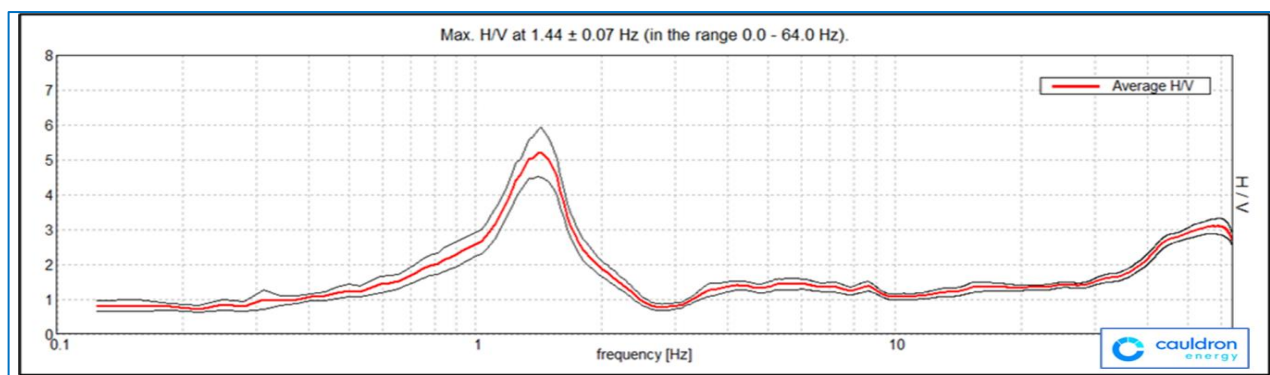


Figure 18: Gridded topographic basement surface - 2016 passive seismic orientation survey

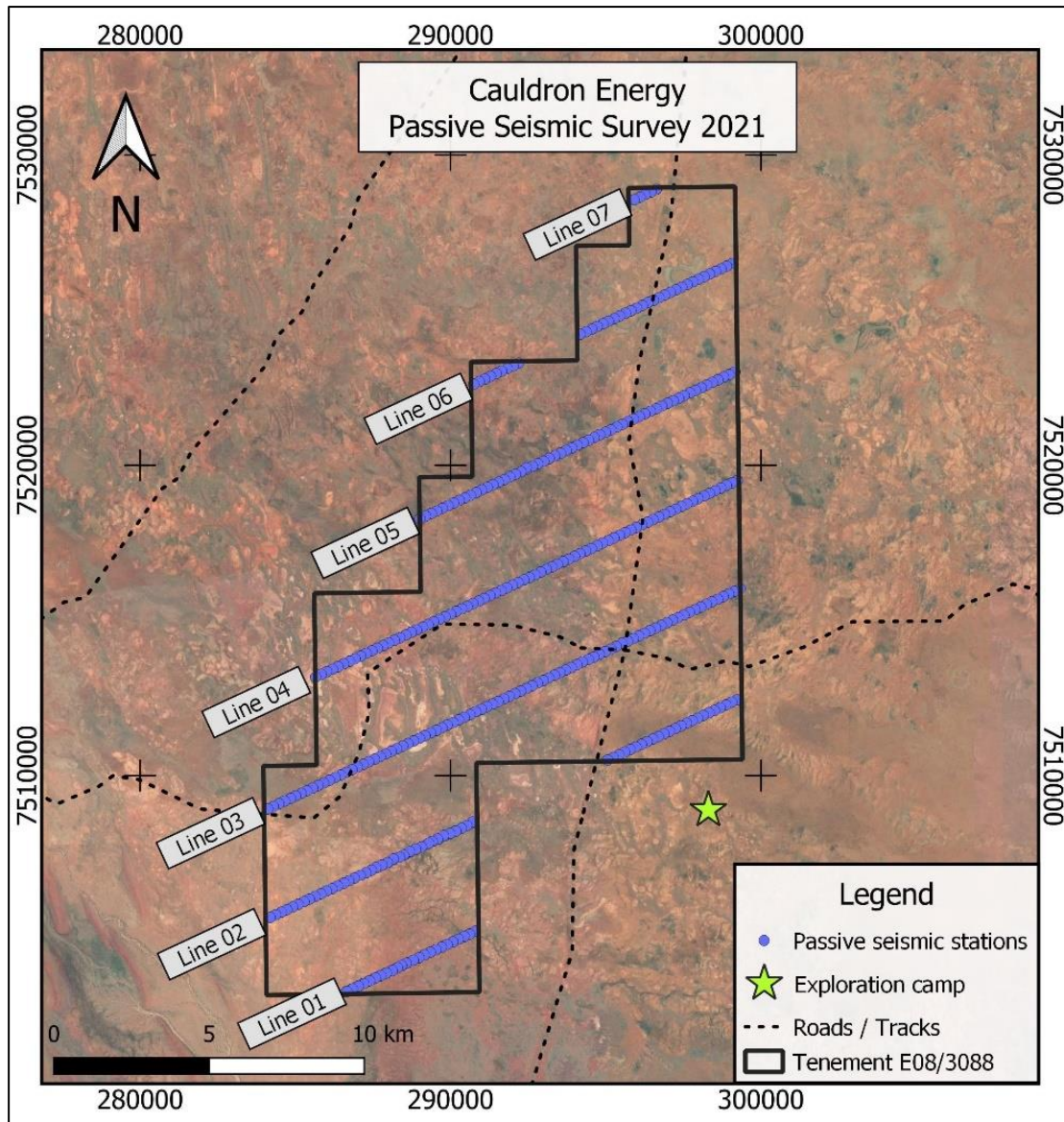


**Figure 19: Example H/V peak frequency plot from 2016 passive seismic surveys (Bennet Well)**

A total of 345 stations, spaced 200m apart, were surveyed by Atlas Geophysics on 7 lines of 3,200m spacings (**Figure 20**). Resource Potentials are completing the final processing of these data at the time of writing. Results from the new surveys reveal:

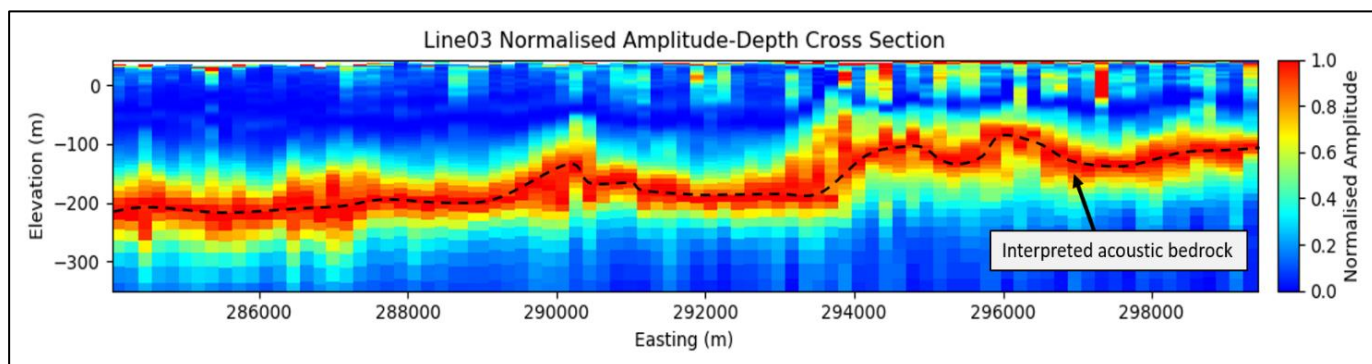
1. a regional widening of the palaeochannel system to the northwest of Bennet Well,
2. an unusual structural complexity in the basement, which affects the formation of the younger, erosional palaeochannel system (**Figure 21**),
3. potential structural features for the upwards transport of reducing fluids into the overlying palaeochannel sediments,
4. the existence of potential “trap” sites for the likely accumulation of economic uranium mineralisation.





**Figure 20: Location of the 2021 passive seismic surveys at the Flagstaff Prospect**

5.



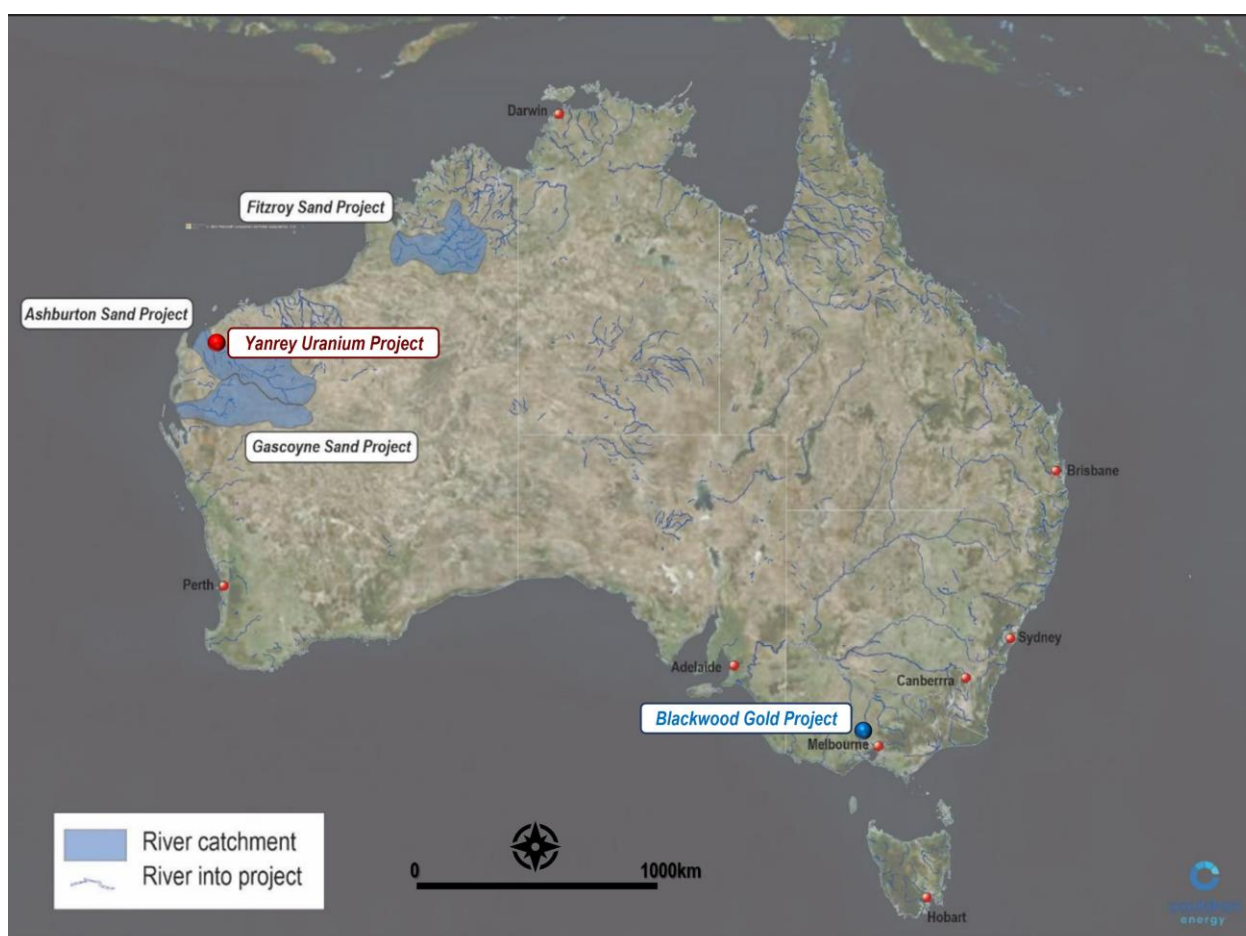
**Figure 21: Line 03 Cross Section – Basement complexity discovered at the Flagstaff Prospect**

## APPENDIX C

### WA Sands Project

Cauldron has secured and is in the process of transferring a mining lease and several exploration licences located on three of the largest river systems crossing the coast in central to northern Western Australia. These licences cover the mouths of the Fitzroy River at Derby, the Ashburton River at Onslow and the Gascoyne River at Carnarvon.

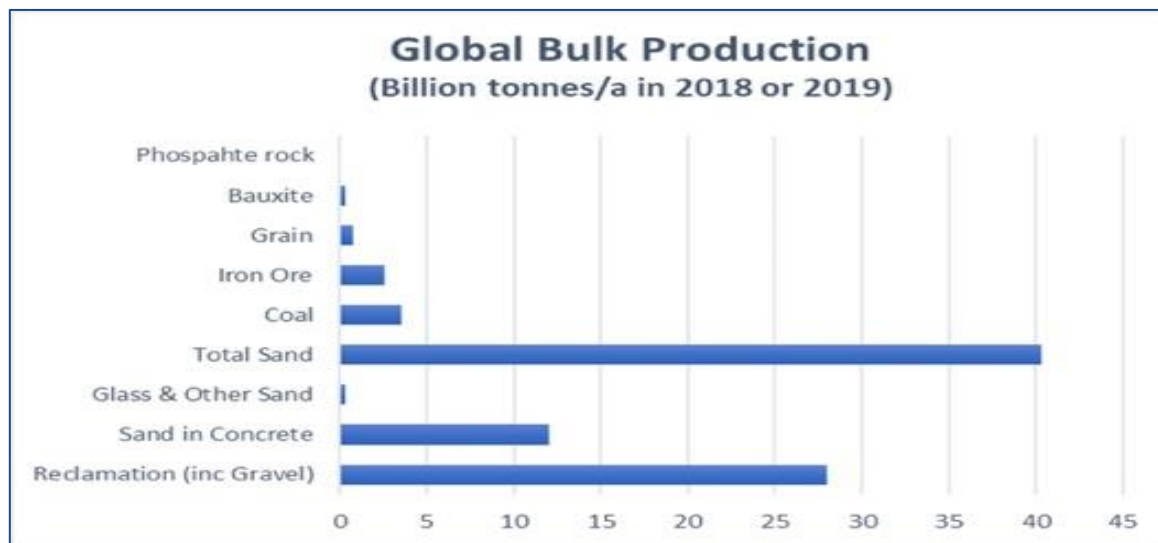
The Fitzroy, Ashburton and Gascoyne rivers drain a huge area of granitic rocks commencing from its respective headwater all the way to the project area, being the mouth of the river (refer to **Figure 22**). Every time there is a flooding event somewhere in the catchment area, sand is deposited into the project area, replenishing the supply of sand and re-establishing the river mouth in its original a pristine condition. Some river mouths are being 'swamped' from flooding events, with excessive sand build-up preventing the use of high value infrastructure facilities, which adversely affect the economies of these regional economies.



**Figure 22: Cauldron River Sands Project - Catchment Area draining into each project area.**



## Sand as a Resource Bulk Commodity



**Figure 23: Estimated Global Annual Bulk Commodity Production in billion tonnes (2018/2019) [Source CXU]**

Sand is by far the largest globally mined commodity (refer **Figure 23**), outstripping the shipments of coal, iron ore and grain. Sand is not traded on any recognised exchange, but the United Nations (UN) estimates 40 billion tonnes of sand<sup>9</sup> is mined globally each year. Putting this in context, the next largest bulk commodity, in terms of tonnage moved, is coal at about 3.5 billion tonnes in 2018 (International Energy Agency, **IEA**).

The global sand market however lacks transparency and due to localised demand and supply relationships has attracted the activities of organised crime gangs in some countries.

The consumption of sand in the developing world is voracious. Sand or silica dioxide ( $\text{SiO}_2$ ) has in terms of bulk tonnage three main uses. By far, the largest bulk commodity use is in land reclamation and island building, followed by use in the manufacture of concrete. There are increasingly valuable uses for sand or silica in glass manufacture or specialised glass like phone screens for which the cost per tonne exceeds USD\$1000/tonne. The total usages for this third '*minor*' tonnage are about 300Mt or 0.3 billion tonnes per annum globally. This represents the target area for most silica sand miners as the high value, high margin products capable of absorbing high processing and transport costs.

The graph above (refer **Figure 23**) shows the massive tonnage difference estimated for the two major uses (28 Bt/a & 12 Bt/a) in comparison with the higher value Glass and specialised uses. For perspective the other main global bulk commodities annual usage is graphed for comparison. (Refer **Figure 23**)

### **The Global Construction Sand Market**

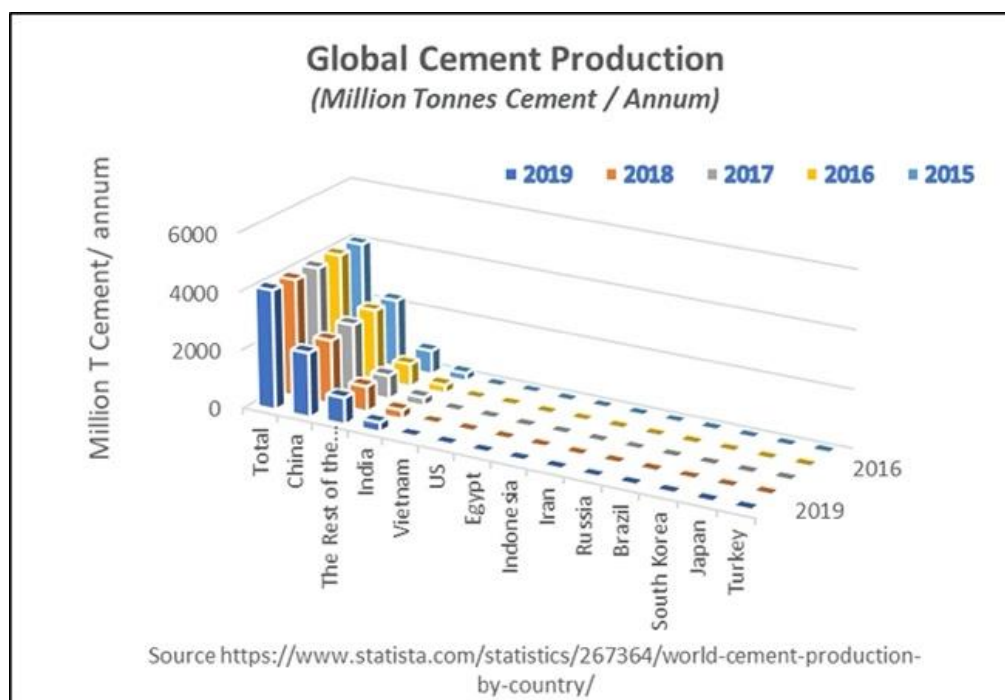
Cauldron has recognised that the river sand as a bulk commodity is distinct from desert, dune or marine sand which is found in relatively high quantities. Ideally river sand comprises of more angular particles with higher silica content, naturally sized by river action. The reduced period of erosion in rivers as opposed to the marine or desert environment, leaves a more angular less rounded particle, capable of interlocking and hence offering a greater load bearing capacity. It is this size-sorted resilient angular particle which is much sought after for construction. Recent growth in Asia and globally has

<sup>9</sup> UN Environment 2019; Sand and Sustainably, Finding new solutions for Environmental Governance of global sand resources

created a scarcity in this commodity and an associated demand driven price rise sufficient to justify sea-borne transport.

The market investigation completed by CXU, shows global usage of sand per annum is between 35 and 45 billion tonnes comprising 12 billion tonnes in concrete and 25-30 billion tonnes in land reclamation. Precise information on global sand extraction is not available but estimates from the United Nations are 40 billion tonnes per annum<sup>10</sup>.

As an unregulated and unmeasured market, we can only estimate or derive the global production demand of construction sand. This market demand is highly coupled to growth and the associated use of concrete manufacture when mixed with cement and aggregate. Annual production of cement is measured and recorded. In 2019 about four billion tonnes of cement was manufactured and used globally with over 50% used in Asia, consistent with the previous five years (refer **Figure 24**).



**Figure 24: Global Cement Production of 4 billion tonnes >50% in Asia or approximately 12 billion tonnes of sand assuming this cement is used predominantly for concrete manufacture consistently over last 5 years**

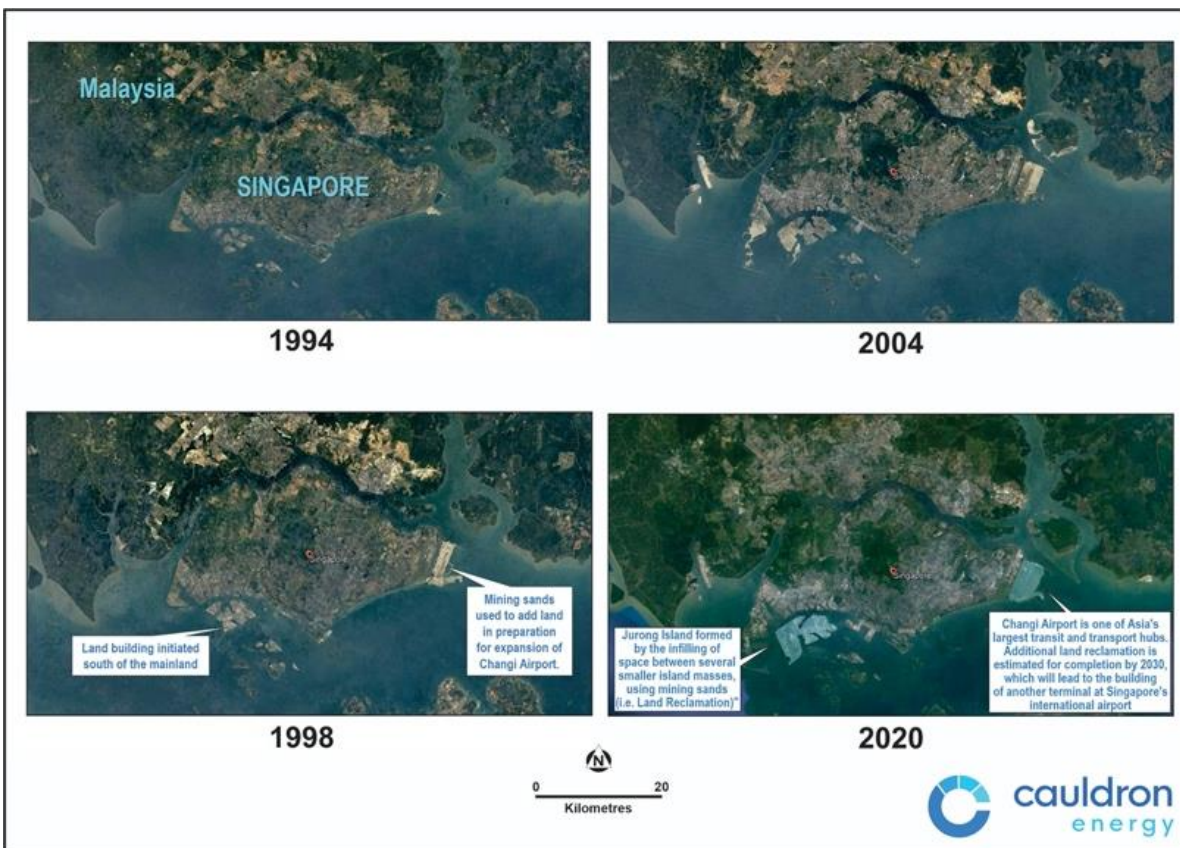
The ratio of cement, sand and gravel used in concrete is about 1:3:6. Approximately three tonnes of sand is needed per tonne of cement in concrete or based on four billion tonnes of annual cement production, an estimated twelve billion tonnes of construction sand is demanded each year globally with over six billion required in Asia alone (refer **Figure 23**).

### **The Global Land Reclamation Sand Market**

The use of sand in the manufacture of concrete is dwarfed by the use of sand for land reclamation purposes. The estimation of the demand for reclamation sand is more difficult to derive given the numerous unregulated extraction sources. The preference for sand used in construction and land reclamation is for the less eroded and more unsorted sand particles found in river and estuarine

<sup>10</sup> Driven to Extraction Can Sand Mining be sustainable? Oli Brown, Hoffmann Centre, Chatham House.  
<https://hoffmanncentre.chathamhouse.org/article/driven-to-extraction-can-sand-mining-be-sustainable/>

placement. Marine sand also has a higher proportion of softer less resilient calcium carbonate particles arising in the marine environment from shells and corals which is less desirable for construction.



**Figure 25: Time related images taken of Singapore harbour over a 25-year period showing the land reclaimed from the harbour shows Jurong Island group now as one island and its growth south plus the expansion west of the land adjacent to Changi into the harbour. Further land reclamation is planned up to 2030 and beyond.**

The use of reclamation sand has been estimated by various bodies of work to be as much as 35 billion tonnes dwarfing the next largest bulk commodity mined, coal at approximately four billion tonnes of global production annually. Sand used in land reclamation has a self-draining property and a requirement to withstand a vertical loading. The raw material for this needs to be angular river sand. The more rounded sand particles found in deserts and in the marine environment is not preferred.

### ***The Growth in Sand Demand and Mining***

The burgeoning demand in Singapore, Hong Kong and other Asian growth centres has depleted nearby quality sources creating an illegal mining industry in neighbouring countries. The environmental damage and associated involvement of organised crime has brought about sand export bans in Vietnam, Malaysia, Indonesia and Cambodia. It has been widely reported that sand in precious fisheries and river systems have been targeted by organised crime sourcing sand as far away as the Philippines and India.

Singaporean authorities have responded by dictating their sand imports to be supported by the correct regulatory environmental approvals from the dispatch country and has the required Singaporean laboratory tests work to ensure suitability for purpose. For example, the model for planned construction shown in **Figure 26** includes utilising sand for both reclamation (land building) and concrete production for construction of the buildings on Jurong Island. [The concrete used in construction also compromises ~30%-40% construction sand](#). For this it has been accepted that this quality will involve a higher price which has opened the market to legitimate and ethical suppliers adhering to local regulatory conditions imposed by their mining jurisdiction. This positive change has created a sustainably sourced sea-



borne sand market in Singapore and other Asian countries, which provides the lead for other importing countries to follow.



**Figure 26: Model of planned construction on the reclaimed Jurong Island in Singapore's harbour (refer Figure 3).**



**Figure 27: World Island Construction in Dubai using imported international sand after local stocks were depleted.**

### **Low Impact Sand Extraction**

The United Nations has identified sand mining as a critical global resource to be managed<sup>1</sup>. The use of extraction measurement and licencing as practiced in the highly regulated Australia resources industry minimises the poor environmental outcomes. This has been identified by the United Nations and adopted by target customer market in Singapore as a requirement for tender on their government sponsored building and construction projects. The exploration licences acquired by the Company are in areas where shipping channels and other infrastructure are at risk of becoming choked with the sand being transported and deposited by these large northern western Australian river systems. Any sand removed from the river estuary and channels is replaced by cyclonic flooding with the frequency of two to three years.

Low environmental impact sand extraction is at a rate that the river replaces the extracted resource. The north of Western Australia has large catchment river systems with frequent significant flooding events driven by monsoonal activity with several occurring in the region each year between October and March. Around Carnarvon the sand deposited during recent flood events has not been able to be removed by maintenance dredging affordable by the local community. Key economic assets of port and shipping plus recently built tourist infrastructure and historical infrastructure is at risk of being lost to the deposited sand. This situation is something the Company is in commercial position to assist with once delayed mining approvals are resolved. A positive outcome in sand removal may provide a significant economic boon to the Carnarvon port as it once again can be the safe and logical anchorage staging stop for the boating community enroute from Perth to the renowned fishing waters of Exmouth.

### **Low-Cost Extraction enabling Global Sales**

The Company further understands the sand in river mouths is near-to-transport infrastructure and can be mined using an environmentally sensitive low cost and low-impact extraction method. The extraction systems have been approved and adopted for use in Queensland near the Great Barrier Reef, having significant environmental sensitivity. The use of low impact excavator extraction on barges and barging to self-loading sea-going bulk transport allows these operations in northern Australia to compete on cost with closer-to-market sand sources. The approval process for these planned operations will follow the world recognised mining licencing and environmental approval protocols established in Australia. Prior to the utilisation of these techniques, Cauldron will utilise traditional truck and shovel methods on existing mining licences which recently supplied the sand that was used in the construction of large local resource projects near Onslow.



## APPENDIX D

### Schedule of Tenements

Mining tenements held at 30 September 2021, including tenements acquired, through grant, and disposed of during the quarter:

Tenement reference	Project & Location	Tenement Holder	Acquired interest during the quarter	Disposed interest during the quarter	Interest at end of quarter
E08/1489	YANREY – WESTERN AUSTRALIA	CAULDRON ENERGY	-	-	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%
E08/2205	YANREY – WESTERN AUSTRALIA		-	-	100%
E08/2385	YANREY – WESTERN AUSTRALIA		-	-	100%
E08/2386	YANREY – WESTERN AUSTRALIA		-	-	100%
E08/2387	YANREY – WESTERN AUSTRALIA		-	-	100%
E08/2774	YANREY – WESTERN AUSTRALIA		-	-	100%
E08/3088	YANREY – WESTERN AUSTRALIA		-	-	100%
L08/71	ONSLOW – WESTERN AUSTRALIA	CAULDRON ENERGY	-	-	100%
E08/2329	ONSLOW – WESTERN AUSTRALIA		-	-	100%
E08/2642	ONSLOW – WESTERN AUSTRALIA		-	-	100%
E08/2328	ONSLOW – WESTERN AUSTRALIA		-	-	100%
E09/1816	CARNARVON – WESTERN AUSTRALIA	ONSLOW RESOURCES	-	100%	0%
E09/2687	CARNARVON – WESTERN AUSTRALIA	CAULDRON ENERGY	-	-	100%
M09/180	CARNARVON – WESTERN AUSTRALIA	ONSLOW RESOURCES	-	-	100%
393/2010	Catamarca, Argentina	CAULDRON ENERGY	-	-	100%
140/2007	Rio Colorado Project - Catamarca, Argentina		-	-	100%
141/2007	Rio Colorado Project - Catamarca, Argentina		-	-	100%
142/2007	Rio Colorado Project - Catamarca, Argentina		-	-	100%
143/2007	Rio Colorado Project - Catamarca, Argentina		-	-	100%
144/2007-581/2009	Rio Colorado Project - Catamarca, Argentina		-	-	100%
176/1997	Rio Colorado Project - Catamarca, Argentina		-	-	100%
232/2007	Rio Colorado Project - Catamarca, Argentina		-	-	100%
270/1995	Rio Colorado Project - Catamarca, Argentina		-	-	100%
271/1995	Rio Colorado Project - Catamarca, Argentina		-	-	100%

## 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")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(108)	(581)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	4
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	-	10
1.8 Other (provide details if material)	38	38
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(70)</b>	<b>(529)</b>

<b>2. 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	(539)	(1,665)
(e) investments		
(f) other non-current assets	-	(48)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments	811	811
	(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>(539)</b>	<b>(902)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	750	1,950
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	(23)	(95)
3.5	Proceeds from borrowings		
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>727</b>	<b>1,855</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	<b>118</b>	<b>424</b>
4.1	Cash and cash equivalents at beginning of period	681	375
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(70)	(529)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(539)	(902)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	727	1,855

## 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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>799</b>	<b>799</b>

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	799	681
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>799</b>	<b>681</b>

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	22
6.2	Aggregate amount of payments to related parties and their associates included in item 2	66
<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>		

Name	Position	\$	Notes
Simon Youds	Executive Chair	66,000	Director's fee / consulting fee
Judy Li	Non-Executive Director	21,000	Director's fees
		<b>87,000</b>	

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

<b>7. Financing facilities</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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>		
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(70)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(539)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(609)
8.4 Cash and cash equivalents at quarter end (item 4.6)	799
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.31
<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: Yes.	
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 Company has not taken any steps as at the date of this report. It will review its funding requirements alongside results from its current drill program at the Blackwood Gold Project and take steps as and when necessary. 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 ~\$575k.	



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

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 that the Company has a track record of being able to raise equity as and when required and noting that it 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 ~\$700k.

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.

29 APRIL 2022

Date: .....

SIMON YOUNDS

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.