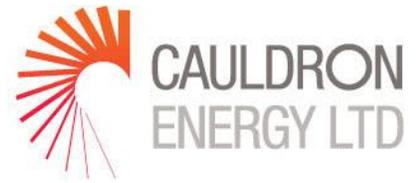


ASX Announcement

Quarterly Report for Period Ended 31 December 2017



29 January 2018

QUARTERLY REPORT – 31 DECEMBER 2017

Please find attached the Quarterly Activities Report and Appendix 5B for the period ended 31 December 2017.

Yours faithfully,

Tony Sage
Non-Executive Chairman
Cauldron Energy Limited

Cauldron Energy Ltd

ABN 22 102 912 783

ASX Code CXU

329,289,708 shares

20,000,000 unlisted options

Board of Directors

Tony Sage
Non-Executive Chairman

Jess Oram
Executive Director &
Chief Executive Officer

Qiu Derong
Non-Executive Director

Judy Li
Non-Executive Director

Nicholas Sage
Non-Executive Director

Chenchong Zhou
Non-Executive Director

Management

Catherine Grant-Edwards
Company Secretary

HIGHLIGHTS

CORPORATE

- New Executive Director Appointment and Board change
- Annual General Meeting held 23 November 2017

EXPLORATION & PROJECTS

- Yanrey Uranium Project
 - Continued dialogue with the Department of Mines, Industry Regulation and Safety seeking clarification on the status of exploration for uranium in Western Australia, following the government's decision to ban uranium mining.
 - Desktop work continued on the greater Yanrey Project area, involving the review of all historical work conducted in the project area. The objective for the work is to review the exploration potential for mineral commodities other than uranium.
-

Cauldron Energy Ltd (**Cauldron** or the **Company**) is pleased to present its Quarterly Activities Report for the period ended 31 December 2017.

CORPORATE ACTIVITIES

New Executive Director Appointment and Board Change

During the period, Cauldron announced the appointment of Mr Jess Oram as Chief Executive Officer and Executive Director of the Company effective 1 January 2018.

Mr Oram has served the Company as Exploration Manager since August 2014. He has over 20 years' experience in mineral exploration in a wide variety of geological terrains and resource commodities with an accomplished track record in establishing and leading the exploration function of several companies. In uranium, Mr Oram was Chief Exploration Geologist for Heathgate Resources Pty Ltd where he was involved in mining feasibility studies of the Four Mine Uranium deposits and 'team leader' of a group of geoscientists involved in the discovery of the Pepegoona Uranium, Pannikin Uranium and Pannikan West Uranium deposits. Mr Oram has a Bachelor of Science (BSc), Geology major from the University of Queensland and is a member of the Australian Institute of Geoscientists (AIG).

In addition, the Company announced that Okewood Pty Ltd could no longer provide the services of Executive Chairman to the Company so its appointment of Mr Tony Sage as Executive Chairman ceased on 31 December 2017. Under the terms of the contract between the Company and Okewood Pty Ltd it has agreed to appoint Mr Sage as Non-executive Chairman from 1 January 2018.

Annual General Meeting

The Company's Annual General Meeting (**AGM**) was held 23 November 2017 at 9:00am where all resolutions put to shareholders were passed. For more information, refer to the Notice of AGM and Results available via the Company's website at www.cauldronenergy.com.au.

Cash at 31 December 2017

Cash available to the Company at the end of the December 2017 quarter was \$2.96 million.

EXPLORATION ACTIVITIES: AUSTRALIA

In Australia, Cauldron has one project areas (Figure 1) covering more than 2,100 km² in Western Australia. Projects include:

- **Yanrey Project (Yanrey)** in Western Australia comprises 12 granted exploration licences (1,280 km²) and 7 applications for exploration licences (913 km²). Yanrey is prospective for large sedimentary-hosted uranium deposits.
- **Boolaloo Project (Boolaloo)** in Western Australia. Cauldron completed the surrender of both tenements (two exploration licences covering 104 km²) on the grounds that the tenements were outside of the Company's exploration model, with no intention to outlay funds for further exploration there

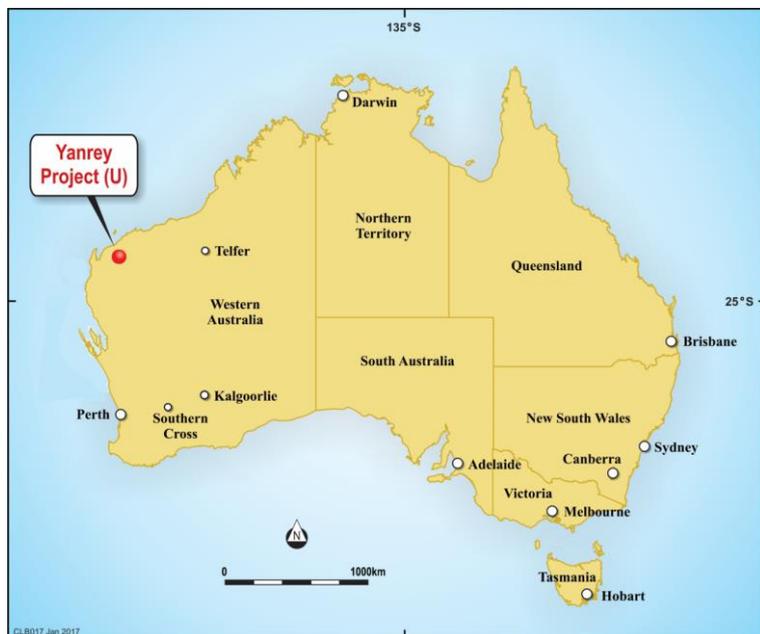


Figure 1: Major Project Locations in Australia

BENNET WELL (YANREY REGION)

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

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.

Work completed during the quarter comprised the continued desktop review of all historical work conducted in and around the Yanrey region.

Past explorers have completed exploration for copper, gold, phosphate, mineral sands and base metals over the area currently covered by the Company's Yanrey Project tenements. The mineralisation has been reported as structurally controlled, with the interaction between north-south oriented fault structures and intensely sheared or foliated granites and granitoids providing loci in which the mineralisation could form.

Large-scale fault structures have been observed from regional-scale geophysics (magnetics, gravity, EM), and confirmed by the deposit- and tenement-scale passive seismic surveys. This structural information has been further confirmed by evidence of faulting observed in drill core samples that have intersected granitic basement. Although the majority of the regional-scale structure cutting across E08/1493 is of a northwest-southeast orientation, there are also strong north-south oriented structural elements that can be seen cross-cutting the northwest-

southeast faults. This observation supports historical information regarding the structural control on base-metal mineralisation

Drilling and geological reconnaissance work, conducted by Cauldron within E08/1493 since grant of tenure, has already determined the faulted and sheared nature of the granitic basement underlying the Bennet Well Deposit. In many places, the banks of the palaeochannels are steep and changes in basement depth are sudden, also showing the structural control on channel formation. The granitic basement beneath Bennet Well is currently interpreted as a “gneissic” granite – the gneissic texture is likely a result of the intense shearing that has occurred in the area as a result of regional deformation. This model, along with review of available geological and geophysical data, fits with the historical interpretation of the structural controls on granitic rocks hosting the base metal mineralisation in the region.

The focus of exploration over Bennet Well, at least in recent times, has been solely on uranium, however the basement rocks, structural control and proximity to known base metal/copper/gold workings and prospects all suggest the good potential for non-uranium mineralisation within the tenement, and certainly warrants further investigation

The resulting data was incorporated into the project-scale, ever-developing, and evolving, systems exploration model.

YANREY PROJECT

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

The eastern and southern parts of the Yanrey Project, contain rocky outcrops which are prospective for copper, gold and base metals. There are several known mineral occurrences to the east and south of the Yanrey Project, including the Victoria Bore, Range and Turtle Prospects where the Proterozoic basement outcrops in a series of hills and ranges. Historical reports describe these prospects as being situated within sheared and altered granites, similar to that observed at Bennet Well. Historic exploration at prospects such as Range and Turtle revealed base metal mineralisation controlled by north-south oriented, regional-scale fault structures and associated cross-cutting link structures. Alteration (presumably resulting from the structural control of the faults and shears) has been described to include intense mylonitisation and chloritisation of the granites. Mineralisation at the prospects is reported as 24,700 tonnes at an average grade of 23% Pb, 150 – 400g/t Ag, 0.2 – 0.4% Zn-Cu, and 0.1 – 0.2 g/t Au at the Range Prospect, and 90,000 tonnes at 2 – 3% Cu, 10 – 15% Pb, and up to 350 g/t Ag at the Turtle Prospect.

Observations from drilling and geological reconnaissance around the Yanrey tenements have already determined the faulted and sheared nature of the granitic basement. Regional geophysical and geological interpretation suggests several north-south orientated structures traversing the various Yanrey tenements. The association between structures of this orientation and the brittle Proterozoic granites in the region has been proven historically to be highly prospective for non-uranium mineralisation.

As with the Bennet Well Deposit, the focus of exploration within the Yanrey tenements has been mostly on uranium, however the correlation between the geology of the basement rocks, structural influence and the proximity to known base metal/copper/gold workings and prospects all suggest the good potential for other types of economic mineralisation and requires further investigation.

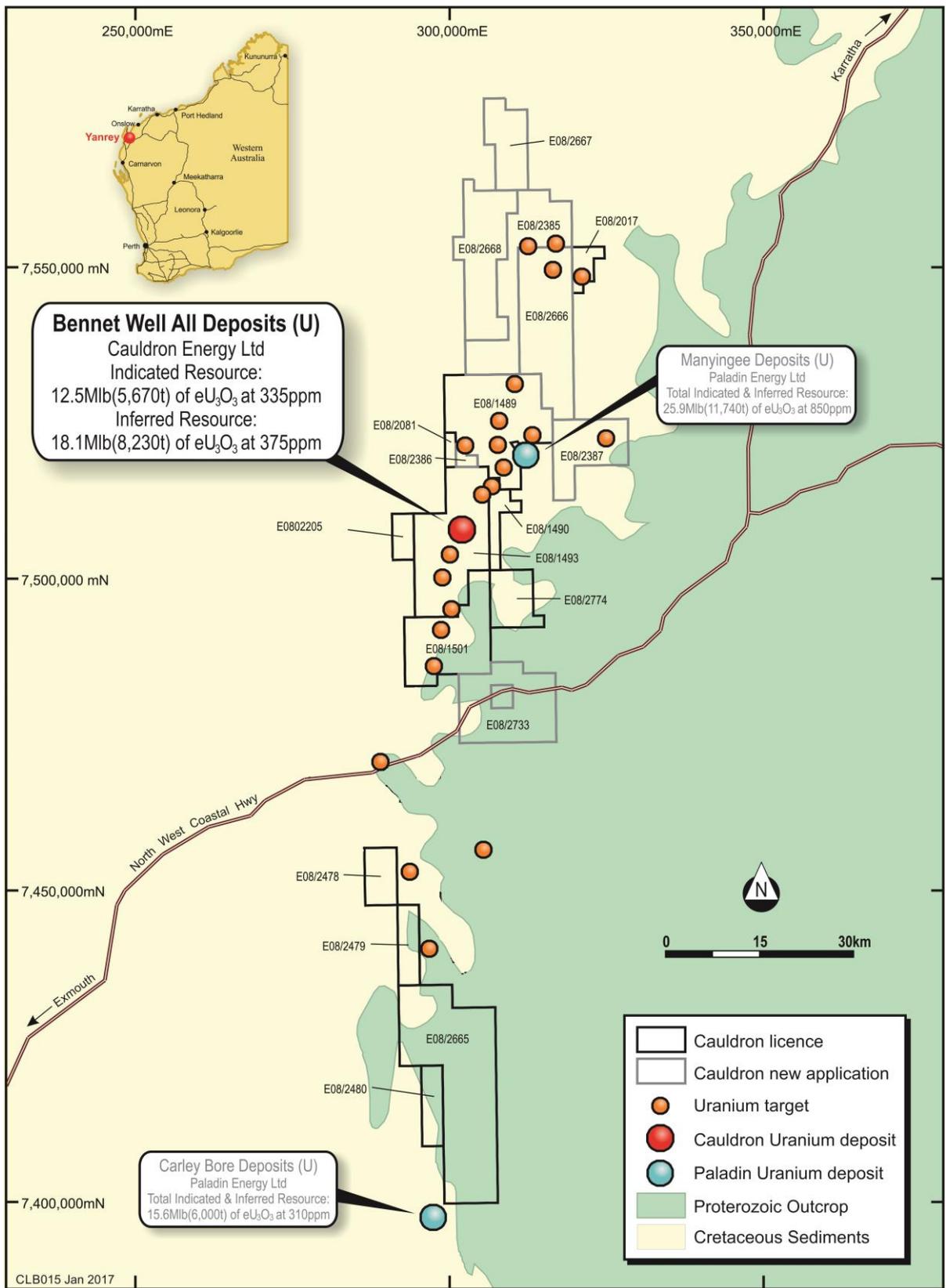


Figure 2: Yanrey Project – Deposit, Prospect and Target Locations

TENEMENT ADMINISTRATION: AUSTRALIA

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

Cauldron lodged applications for Exploration Licences 08/2666-2668 (E08/2666-2668) on 5 December 2014. Forrest & Forrest Pty Ltd lodged objections against E08/2666-2668 on 6 January 2015. The matters are proceeding through the Warden's Court process.

Red Sky Stations Pty Ltd Objection to Tenement Application for E08/2899

Cauldron lodged an Exploration Licence application E08/2899, on 1 February 2017. Red Sky Stations Pty Ltd lodged Objection #501163 on 15 February 2017 against the tenement application. The matter is proceeding through the Warden's Court process.

Cauldron's E08/2385, E08/2386 and E08/2387 Tenement Applications Pending Grant

In the previous quarter the Court of Appeal handed down its unanimous decision in favour of the Company to dismiss Forrest's appeal against the grant of E08/2385, 2386 and 2387. These tenements are currently awaiting the Minister for Mines and Petroleum decision to grant.

EXPLORATION ACTIVITIES: ARGENTINA

In Argentina, Cauldron controls, through its wholly-owned subsidiary Cauldron Minerals Limited (**Cauldron Minerals**) 445 km² of exploration licence at its most advanced project, Rio Colorado, in Catamarca. The Company finalised an agreement to acquire 100% of this project, which is prospective for copper and silver of the globally significant stratabound sedimentary-hosted copper style of deposit. No work was completed at the Rio Colorado project.

The Company has finalised the relinquishment of four mining tenements at the Los Colorados Project in La Rioja, Argentina.

End.

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

Cauldron Energy Limited

Ph: (08) 9380 9555

Disclosure Statements

Competent Person Statement

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

Schedule of Tenements

Mining tenements held at 31 December 2017, including tenements acquired and disposed of during the quarter:

Tenement reference	Project & Location	Acquired interest during the quarter	Disposed interest during the quarter	Interest at end of quarter
E08/1489	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/1490	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/1493	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/1501	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2017	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2081	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2205	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2478	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2479	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2480	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2665	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2774	YANREY – WESTERN AUSTRALIA	-	-	100%
393/2010	Catamarca, Argentina	-	-	100%
140/2007	Rio Colorado Project - Catamarca, Argentina	49%	-	100%*
141/2007	Rio Colorado Project - Catamarca, Argentina	49%	-	100%*
142/2007	Rio Colorado Project - Catamarca, Argentina	49%	-	100%*
143/2007	Rio Colorado Project - Catamarca, Argentina	49%	-	100%*
144/2007-581/2009	Rio Colorado Project - Catamarca, Argentina	49%	-	100%*
176/1997	Rio Colorado Project - Catamarca, Argentina	49%	-	100%*
232/2007	Rio Colorado Project - Catamarca, Argentina	49%	-	100%*
270/1995	Rio Colorado Project - Catamarca, Argentina	49%	-	100%*
271/1995	Rio Colorado Project - Catamarca, Argentina	49%	-	100%*
43/2007	Rio Colorado Project - Catamarca, Argentina	49%	-	100%*

*Cauldron had an exclusive option agreement through its wholly owned subsidiary Cauldron Minerals Ltd (formerly Jackson Global Ltd) with a private party (Dr Horacio Solis), to earn a total 92.5% in 230 km² of the Rio Colorado uranium project in Argentina. The remainder of the project is (532 km²) is held by Cauldron in the name of a related entity. Together, both areas form the Rio Colorado Joint Venture. Cauldron earned its Initial Interest of 51% in the project by completing a minimum work program. The Parties have agreed the terms of a Deed of Assignment, Assumption and Termination in May 2017 for Cauldron to acquire 100% interest in the Rio Colorado uranium project, which has been completed during the quarter.

Mining tenements with beneficial interest held in farm-in/farm-out agreements held at 31 December 2017, including interests acquired and disposed of during the quarter:

Farm-in Agreement and Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter
-	-	-	-	-

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Cauldron Energy Limited

ABN

22 102 912 783

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(212)	(535)
(b) development	-	-
(c) production	-	-
(d) staff costs	(39)	(141)
(e) administration and corporate costs	(278)	(435)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other:		
Legal fees	(29)	(67)
Income – settlement of legal costs	45	45
1.9 Net cash from / (used in) operating activities	(507)	(1,120)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	(13)	(13)
(c) investments	(56)	(86)

+ See chapter 19 for defined terms
1 September 2016

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	904	904
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(6)	(21)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	829	784

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
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)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,637	3,295
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(507)	(1,120)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	829	784
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	Cash and cash equivalents at end of period	2,958	2,958

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	2,958	2,637
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,958	2,637

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	75
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments included in item 6.1 of \$75,000 relates to payment of director fees.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	48
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Payments included in item 7.1 of \$39,989 relates to payments to director-related parties for office occupancy costs, reimbursement of travel costs and consultant fees, and other corporate costs.

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
-		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	300
9.2 Development	-
9.3 Production	-
9.4 Staff costs	22
9.5 Administration and corporate costs	348
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	670

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	<i>Rio Colorado Project - Catamarca, Argentina:</i> 140/2007 141/2007 142/2007 143/2007 144/2007-581/2009 176/1997 232/2007 270/1995 271/1995 43/2007	Acquired Acquired Acquired Acquired Acquired Acquired Acquired Acquired Acquired Acquired	51% 51% 51% 51% 51% 51% 51% 51% 51% 51%	100% 100% 100% 100% 100% 100% 100% 100% 100% 100%

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.

Sign here:  Date: 29 January 2018
Company Secretary

Print name: Catherine Grant-Edwards

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.