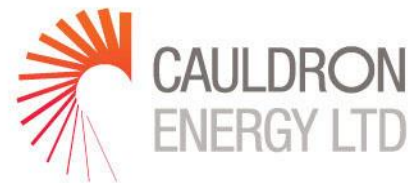


ASX Announcement

Quarterly Report for Period Ended 30 September 2018



29 October 2018

QUARTERLY REPORT – 30 SEPTEMBER 2018

Please find attached the Quarterly Activities Report and Appendix 5B for the period ended 30 September 2018.

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

- Annual General Meeting to be held 22 November 2018.

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;
 - Progression of Bennet Well Lithological Model and regulatory work for Field Leach Trials Program of Works (POW);
- Project Generation
 - Project generation is advancing well,
 - Many advanced exploration type project reviews completed.
 - Given the quantity and type of projects available, it is likely that a suitable project for Cauldron will be found soon.

Cauldron Energy Ltd (**Cauldron** or the **Company**) is pleased to present its Quarterly Activities Report for the period ended 30 September 2018.

CORPORATE ACTIVITIES

Annual General Meeting

The Company's Annual General Meeting (**AGM**) will be held 22 November 2018 at 10:00am. For more information, refer to the Notice of AGM as dispatched to all shareholders and available via the Company's website at www.cauldronenergy.com.au.

Cash at 30 September 2018

Cash available to the Company at the end of the September 2018 quarter was \$1.75 million.

EXPLORATION ACTIVITIES: AUSTRALIA

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

- **Yanrey Project (Yanrey)** in Western Australia comprises 15 granted exploration licences (1,548 km²) and 4 applications for exploration licences (626 km²). Yanrey is prospective for large sedimentary-hosted uranium deposits.

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.

Further field work at Bennet Well is on hold until clarity on Western Australian uranium exploration policy is received from the Minister of Mines and Petroleum.



Figure 1: Major Project Locations in Australia

YANREY PROJECT

The Yanrey Project comprises a collection of 15 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.

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.

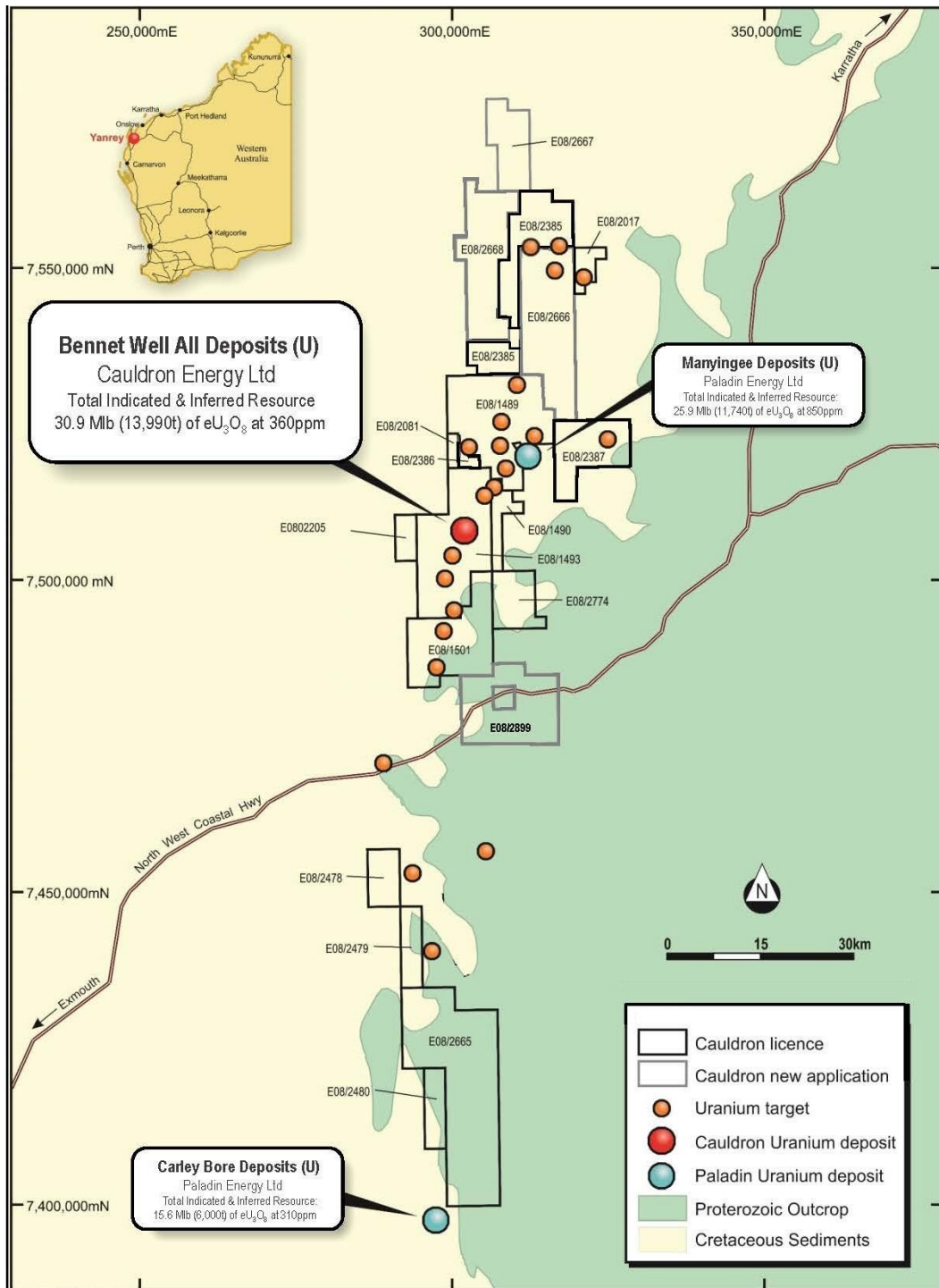


Figure 2: Yanrey Project – Deposit, Prospect and Target Locations

PROJECT GENERATION

As a direct result of the current policy on uranium mining in Western Australia, field operations at the Yanrey Project have been inactive. There has been considerable effort seeking advanced exploration projects in commodities other than uranium, to diversify the company's project portfolio. Projects reviewed are in Australia and Africa (copper and uranium in Namibia, copper in Democratic Republic of Congo, copper-cobalt in Namibia).

Cauldron is seeking high value advanced exploration projects capable of rapid improvement in value because of the specific quality of the project. This improvement in value will be realised with judicious exploration activity aimed at moving the project towards commencing mining operations.

Project generation is advancing well, with many reviews derived from many leads established through a network built from a near permanent presence in the continent. Given the quantity and type of projects available, it is predicted that a suitable project for Cauldron will be sourced soon.

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

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 and 100% owned project, Rio Colorado, in Catamarca. The project 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 during the quarter.

Cauldron has received official notification of the surrender of Catamarca tenement Mina-Colorada 393/2010. The surrender was lodged on 10 August 2017.

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 30 September 2018, including tenements acquired, through grant, 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%
E08/2385	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2386	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2387	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%	0%
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%
43/2007	Rio Colorado Project - Catamarca, Argentina	-	-	100%

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")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(223)	(223)
(b) development	-	-
(c) production	-	-
(d) staff costs	(15)	(15)
(e) administration and corporate costs	(237)	(237)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	316	316
1.8 Other:		
Legal fees	(42)	(42)
1.9 Net cash from / (used in) operating activities	(197)	(197)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(2)	(2)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(2)	(2)

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	1,950	1,950
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(197)	(197)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)
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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,751	1,751

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	1,751	1,950
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)	1,751	1,950

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter \$A'000
42
-

Payments included in item 6.1 of \$42,000 relates to payment of director fees.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter \$A'000
10
-

Payments included in item 7.1 of \$9,577 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	237
9.2 Development	-
9.3 Production	-
9.4 Staff costs	23
9.5 Administration and corporate costs	257
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	517

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	393/2010 Catamarca, Argentina	Surrendered	100%	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Sign here: 

 Company Secretary

Date: 29 October 2018

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.