

29 April 2011

QUARTERLY REPORT– 31 MARCH 2011

Please find attached the Quarterly Activities Report and Appendix 5B for the period ended 31 March 2011.

Yours faithfully
Cauldron Energy Ltd

Brett Smith
Executive Director

Cauldron Energy Ltd.

ABN 22 102 912 783

18 Oxford Close
LEEDERVILLE WA 6007

PO BOX 144
West Perth WA 6872

ASX Code CXU

89.0 M ordinary shares

12.8 M listed options

10.0 M unlisted options

Market Cap

\$16.5million (@18.5c)

Board of Directors

Tony Sage
Executive Chairman

Brett Smith
Executive Director

Qiu Derong
Non-executive Director

Claire Tolcon
Company Secretary

29 April 2011

QUARTERLY REPORT FOR PERIOD ENDING 31 March 2011

Cauldron Energy Limited (ASX: CXU) ("**Cauldron**" or the "**Company**") is an Australian based exploration company focussed on uranium exploration in Australia and Argentina.

Cauldron's main focus in Australia is the Yanrey Project in Western Australia. Yanrey contains an interim Inferred Mineral Resource of 7.3 Mt at 300ppm eU₃O₈ for 4.8 Mlbs eU₃O₈ (150 ppm cut-off) within a regional Exploration Target¹ of 25 to 35 Mlbs U₃O₈ (11,000 to 16,000t) at a grade of 300 to 900 ppm.

In Argentina, Cauldron controls more than 2,600 km² of ground in 8 project areas. All projects have out-cropping uranium mineralisation and vary from grass-roots to advanced exploration plays.

HIGHLIGHTS

Exploration Activities

Argentina

Cauldron secures rights to historic uranium mining area.

- Cauldron to provide a draw-down facility (loan) to Caudillo Resources SA (Caudillo) of up to AUD\$650,000.
- At Cauldron's discretion the loan (with interest) can be repaid in cash or equity in Caudillo (of up to 80%).
- Caudillo has the right to earn 80% of an abandoned uranium mine in the province of La Rioja.
- The historic open cut mine targeted a sandstone hosted roll-front uranium deposit and produced 55,000 kg of uranium concentrate at a run of mine grade of 0.08% U₃O₈.
- Initial investigations suggest the uranium mineralisation extends outside the previously mined area, and
- Cauldron will provide Caudillo with technical and operational support regarding uranium exploration and occupational health and safety.

¹ The estimates of exploration target sizes should not be misunderstood or misconstrued as estimates of mineral resources. The estimates of exploration target sizes are conceptual in nature and there has been insufficient exploration completed to date (namely drilling) to estimate a Mineral Resource in accordance with the JORC Code guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a mineral resource.

Cauldron Energy Ltd.

ABN 22 102 912 783

18 Oxford Close
LEEDERVILLE WA 6007

PO BOX 144
West Perth WA 6872

ASX Code CXU

89.0 M ordinary shares

12.8 M listed options

10.0 M unlisted options

Market Cap

\$16.5 million (@18.5c)

Board of Directors

Tony Sage
Executive Chairman

Brett Smith
Executive Director

Qiu Derong
Non-executive Director

Claire Tolcon
Company Secretary

Australia

Exploration drilling continues at the Marree JV, South Australia.

- 4,000m exploration drilling program commences, targeting uranium mineralisation at Blanchewater and Redbanks Well Prospects.
- Previously completed, broadly spaced 400m x 400m drilling identified low grade, sandstone hosted uranium mineralisation over an area of 2 km up to 800m wide at the Blanchewater Prospect.
- Peak uranium result of 245 ppm eU_3O_8 with anomalous mineralisation intersected over broad zones of up to 20 metres.

Corporate

Resignation of CEO

On the 4th February 2011, the Company announced the resignation of its CEO, Mr Terry Topping. During the transition period Mr Sage and Mr Smith will assume the day to day management of the Company.

Appointment of Company Secretary

On the 31st March 2011, the Company announced the appointment of Ms Claire Tolcon as the new Company Secretary, following the resignation of Kent Hunter and Stephen Brockhurst as non-executive director and company secretary respectively.

Change in Registered Office

On the 31st March 2011, the Company announced that its registered office had changed to 18 Oxford Close, Leederville, Western Australia.

Convertible Note Funding

On 17th March 2011, the Company announced the receipt of \$2 million in convertible note funding from Dempsey Resources Pty Ltd (Dempsey), a wholly owned subsidiary of Cape Lambert Resources Ltd (ASX: CFE) (Convertible Note).

Pursuant to the terms of the Convertible Note, which has a coupon rate of 10%, Dempsey has the right to convert the note into ordinary shares in CXU before the repayment date of 16th March 2012, subject to the receipt of all necessary shareholder approvals.

The funds received by the Convertible Note will be applied towards funding existing projects of the Company and working capital.

Exploration Activities

Los Colorados Project, Argentina

During the quarter, the Company announced that it had entered into an agreement to provide funding via a AUD\$650,000 draw-down facility, through its wholly owned subsidiary Jakaranda Minerals Limited (**“Jakaranda”**), to Argentinean company Caudillo Resources SA (**“Caudillo”**) for the exploration of the historic Los Colorados Mine in the province of La Rioja in Argentina.

The Los Colorados Mine was operated between 1992 and 1996, producing 55,000 kg of uranium concentrate at a run of mine grade of 0.08% U_3O_8 , although the definition of concentrate is not defined in existing company records. The product was used for the local nuclear power generation industry. A further 185,000t of crushed stockpiles are present on site with the grade yet to be determined by Caudillo.

The sandstone hosted roll-front uranium mineralisation is hosted within Carboniferous age clastic sediments and is observed in the walls of the open pit (see Figure 1). This, along with historical drill records, indicates the mineralisation extends beyond the boundary of the mined area. Additionally, this style of deposit supports the likelihood of further roll-front horizons existing elsewhere within the project. The Los Colorados deposit was discovered solely because it outcropped at the surface.

The project covers 81 km² and is located approximately 70 km south-southwest of the provincial capital of La Rioja, accessible by a major paved road. The terrain is of low elevation, dry and can be explored all year round.

Caudillo has entered into an agreement with the government owned entity Energias y Minerales Sociedad Del Estado (EMSE), whereby it can earn up to 80% equity in the Los Colorados Mine and surrounding exploration ground by completing exploration and developing the project to the mining stage.

For the sole purpose of exploration, Jakaranda will provide Caudillo with a draw-down facility of up to AUD\$650,000. Exploration including surface sampling commenced during the quarter, with drilling expected to commence in June 2011.

This loan and interest (LIBOR + 2%) on this loan will be required to be repaid within two years, unless extended by mutual agreement. During the loan period, Caudillo cannot seek any additional funding or enter into any agreements/contracts without written consent from Jakaranda.

At Jakaranda's discretion, the loan may be paid back in cash or equity in Caudillo. The full value of the loan (AUD\$650,000) will represent 80% of the ordinary issued capital of Caudillo. The Company has provided a commitment to support Caudillo with respect to all technical, environmental and safety issues regarding exploration for uranium. Part of this commitment is expected to involve the training of local people to facilitate Caudillo's exploration and operational requirements.

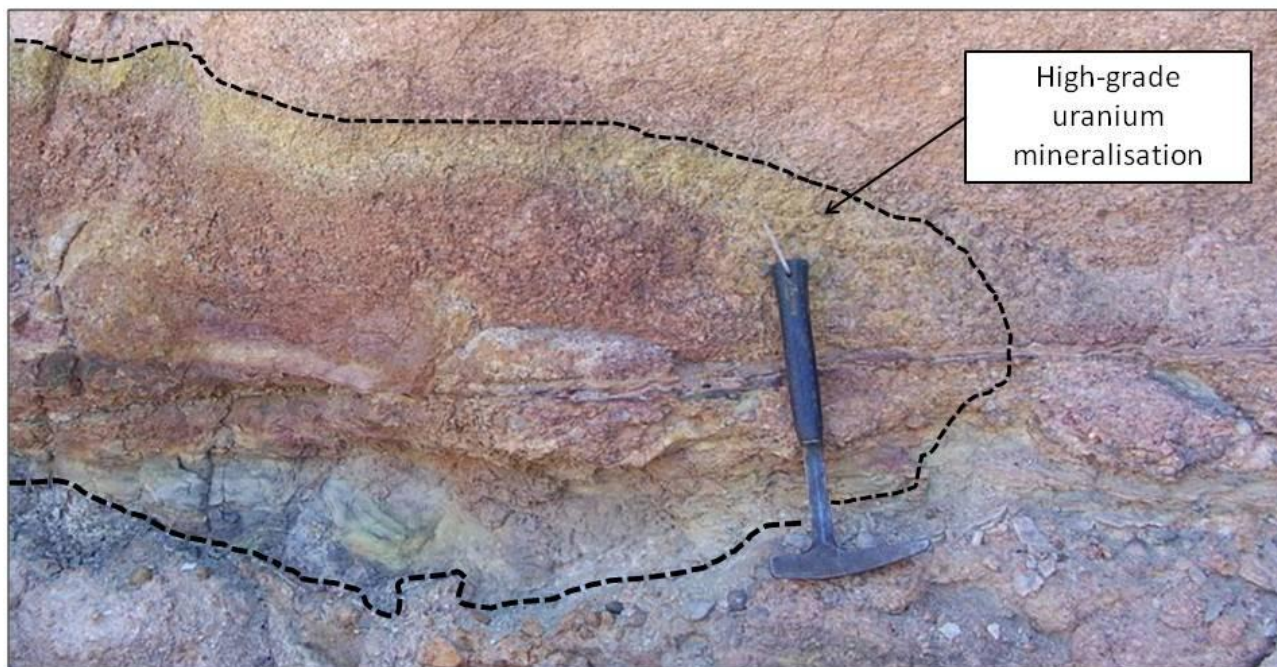


Figure 1 – Los Colorados. Roll-front uranium mineralisation on a sedimentary contact away from the main zone of mineralisation.

Rio Colorado Uranium Project, Argentina (CXU earning 92.5%)

Cauldron, through its wholly owned subsidiary Jackson Global Limited, has the right to earn 92.5% of the Rio Colorado uranium-copper-silver project in Catamarca, the main mining province of Argentina.

The Rio Colorado Project comprises 762 km² containing a 16 km-long zone of outcropping mineralised (uranium, copper and silver) continental red bed sandstones. Extensive surface sampling of uranium mineralised outcrop indicates ore zones 10-20m wide, including zones between 300 to 3000 ppm U₃O₈ over widths up to 10.7m. Mapping and sampling at the northern end of the mineralised sandstones indicates continuity over at least 5 km, which remains open to the south.

Las Marias Uranium Project, Argentina (100%)

Wholly owned subsidiary Jackson Global Limited has granted leases and applications over ground prospective for uranium mineralisation in San Juan, the main mining province of Argentina. The Las Marias Project covers 660 km² and includes areas of historical uranium exploration, dating from the 1970s. Jackson Global are the first company to receive environmental clearance for the exploration and bulk testing for uranium in this province.

Within the Las Marias Project, outcropping uranium mineralisation is defined within strata bound sandstones, with over 7 km of strike, conformable with the local stratigraphy. Radiometric anomalism suggests that the mineralised units extend under cover, throughout the project area. Initial investigations by the Company, indicates an average outcropping uranium anomalism of between 100 to 550 ppm U_3O_8 up to three metres in width, with samples peaking at 1,305 ppm U_3O_8 .

Diamond drilling previously completed by the Company, 9 holes for 569.8 m of NQ drill core, identified a prospective mineralised horizon, up to approximately 10 metres thick at the base of the targeted sedimentary sequence.



Diamond drilling at Las Marias Project, Argentina

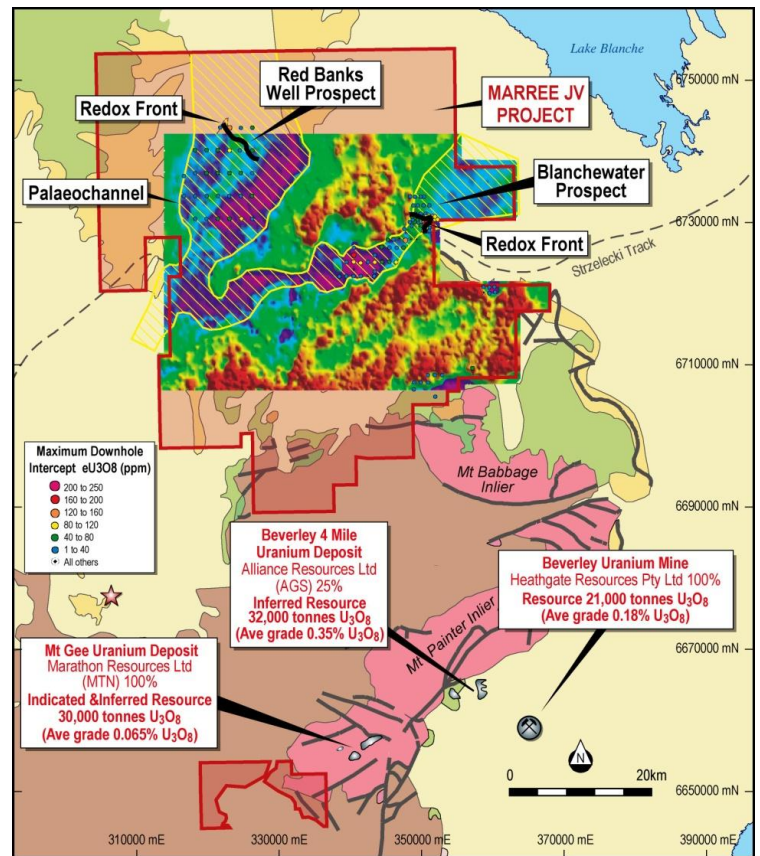
Marree Uranium Project Joint Venture, South Australia (75%)

The Marree uranium project, located 550km north of Adelaide, comprises five granted Exploration Licences in the Eromanga Basin adjacent to the uranium-rich Mount Babbage Inlier. The project is fully funded by a joint venture agreement between the company and a Korean consortium involving the Korean Government (KORES), Daewoo International Corporation and LG International Corporation. The Korean participants can earn up to an aggregate 50 percent interest in the Marree Project by funding AUD\$6.2M over three years.

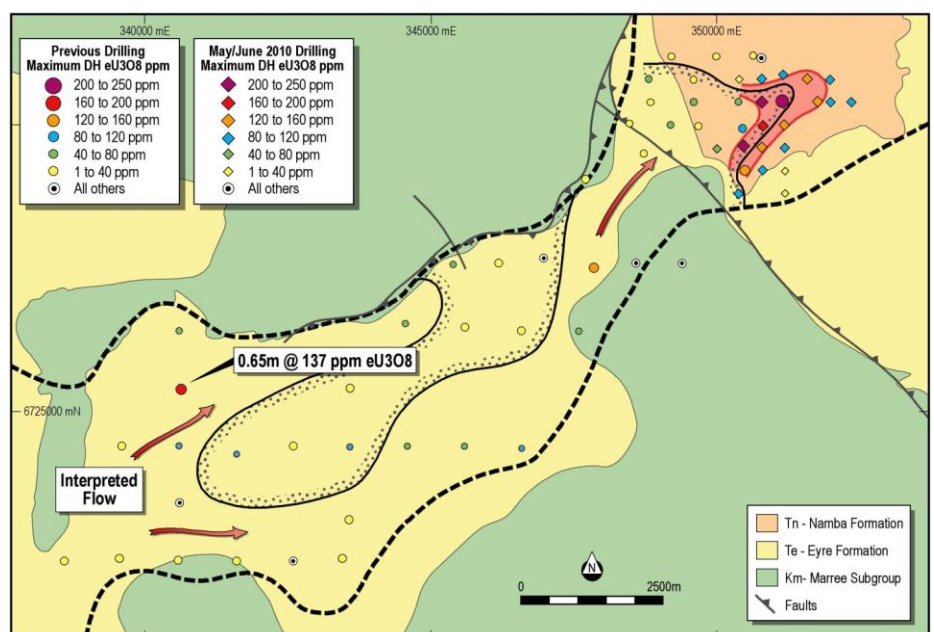
Exploration drilling completed during 2010 at MacDonnell Creek within the Blanchewater Prospect identified a two kilometre long, northeast trending zone of uranium mineralisation, between 400-800 metres wide, associated with an interpreted redox front within the Eyre Formation. Significant results from this area include 0.60m at 180 ppm eU_3O_8 , up to a peak of 245 ppm, within broad zones (up to 20m) of anomalous uranium.

During the March quarter 2011, the Company commenced a 4,000m drilling program to follow up and infill the anomalous mineralisation at MacDonnell Creek and George Creek, within the Blanchewater Prospect. Due to unseasonal rainfall events this program has been temporarily suspended. The program is expected to recommence during May 2011.

The recent drilling results confirm the northern side of the Mt Babbage and Mt Painter Inliers as a region favourable for uranium mineralisation, displaying an exploration potential similar to the area which hosts the Beverley and Beverley Four Mile uranium deposits, 60 km to the south.



Marree JV Project, SA



Blanchewater Uranium Prospect – Significant Results

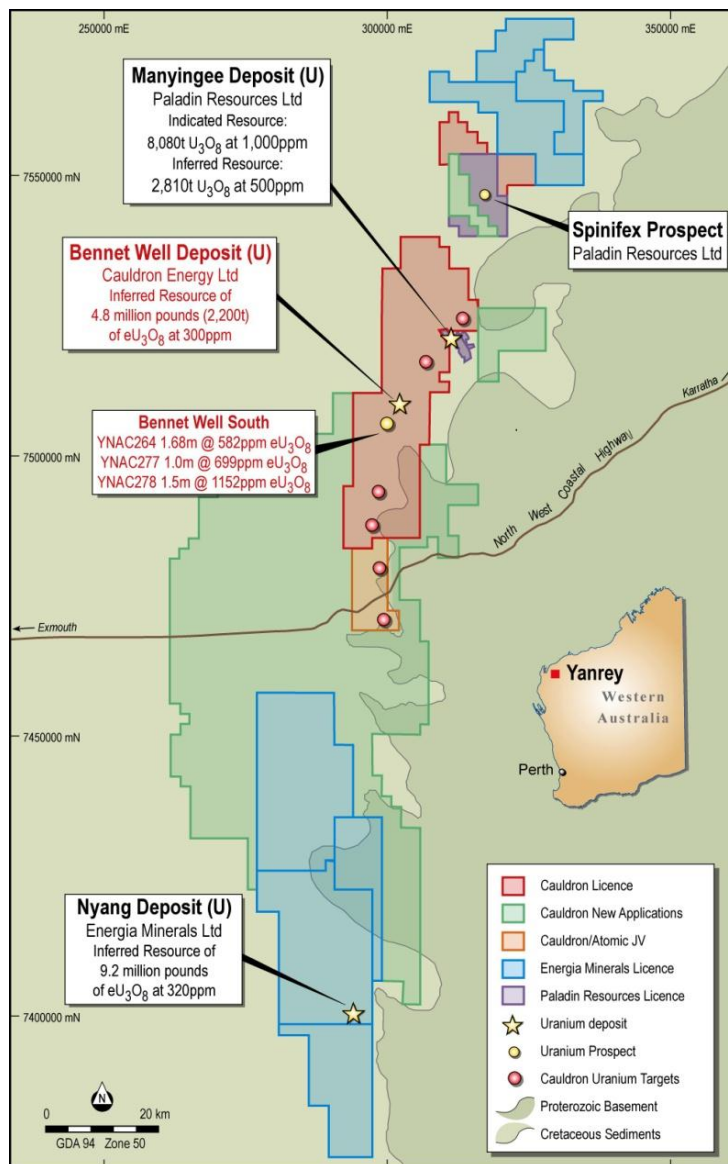
Yanrey Uranium Project, Western Australia (100%)

The Yanrey Project covers 3,142 km² of Mesozoic sediments which are highly prospective for sandstone hosted uranium mineralisation, amenable to In-situ Recovery (ISR) mining, similar to Paladin Resources Ltd's (ASX: PDN) adjoining Manyingee deposit. Included in the Company's project is the Bennet Well deposit with an Inferred Mineral Resource of 7.3 Mt at 300ppm eU₃O₈ for 4.8 Mlbs eU₃O₈, with a 150 ppm cut-off, estimated in accordance JORC Code guidelines.

Exploration undertaken by the Company indicates that the project contains an initial Exploration Target² of 25 to 35 million pounds U₃O₈ (11,000 to 16,000t) at a grade of 300 to 900 ppm for the Yanrey Project, as announced during the September 2009 quarter.

The exploration target is for sandstone hosted roll front uranium mineralisation. It is based on historical exploration conducted during the early 1980s, which has identified a 60km regional redox front associated with prospective palaeochannels.

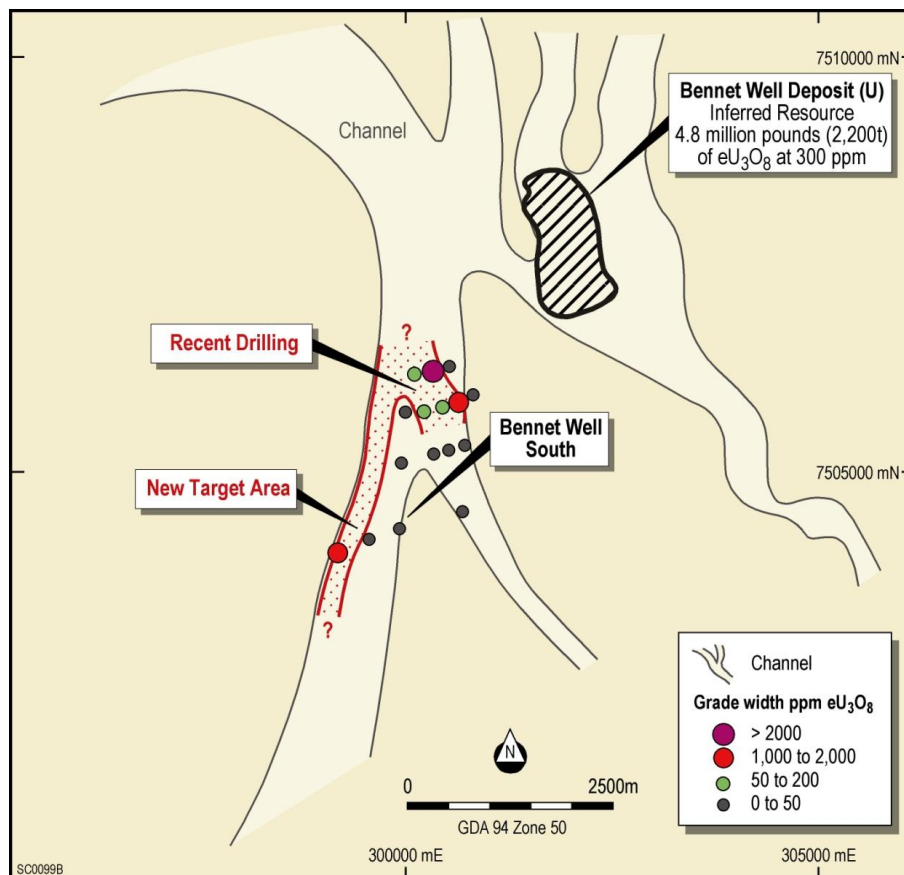
Exploration of the Yanrey Project indicates at least eleven favourable palaeochannels, including five (5) recently discovered mineralised palaeochannels. These channels are close to known uranium resources at Bennet Well and Manyingee and include potential extensions to mineralisation within channels leading from these deposits. In particular, mineralisation at Bennet Well remains open to the north and northeast, where drilling by the Company intersected 4.32m at 488 ppm eU₃O₈. In addition to these targets, the Company believes it has over 90 km² of untested prime target areas, which are favourable for uranium mineralisation.



Yanrey Uranium Project, WA

² The estimates of exploration target sizes should not be misunderstood or misconstrued as estimates of mineral resources. The estimates of exploration target sizes are conceptual in nature and there has been insufficient exploration completed to date (namely drilling) to estimate a Mineral Resource in accordance with the JORC Code guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a mineral resource.

Recent exploration by the company has identified a new zone of uranium mineralisation within a major palaeochannel system, located 1.5 km south west of the Bennet Well deposit. Drilling on the eastern side of the channel returned a number of significant results, including 1.00m at 852 ppm eU_3O_8 in hole YNAC 264 and multiple thick intersections of high-grade uranium, including 1.28 metres at 1318 ppm eU_3O_8 and 2.18 metres at 657 ppm eU_3O_8 in hole YNAC 278. The uranium mineralisation in this channel is defined over a strike length of 500 metres and remains open to the north. Reconnaissance drilling in the western side of the channel intersected a zone of high-grade mineralisation, including 1.00m at 699 ppm eU_3O_8 in hole YNAC 277.



Bennet Well South - Aircore Drilling Results

A 5,000 metre drilling program is scheduled to commence in June 2011, to further test this exciting new target area.

The Company believes the Yanrey Project area, which already hosts the Bennet Well (Cauldron) and Manyingee (Paladin) uranium deposits, has great potential for the development of uranium deposits via insitu recovery (ISR) mining methods, similar to the Beverley Mine region of South Australia.

Beadell Project, Western Australia (80%)

The Beadell Project comprises two granted exploration licences and two exploration licence applications located in the south-eastern part of the Rudall Complex, 450 km east of Newman in Western Australia.

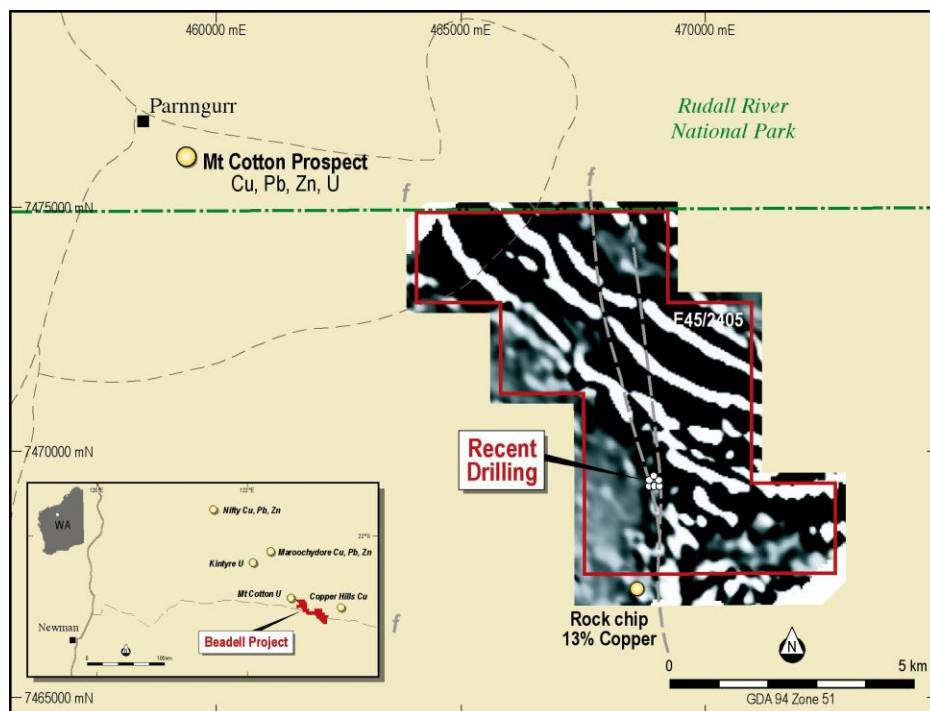
The project is located in a highly prospective region rich with base metal deposits, including Mount Cotton (Cu, Pb, Zn, U) located seven kilometres to the north west, Nifty (Cu), Maroochydore (Cu, Pb, Zn), Kintyre (U) and Copper Hills (Cu, Au).

Interpretation and analysis of the project geology, ground and airborne geophysical data, including ground based gravity, regional magnetic surveys and Tempest Airborne Electromagnetic geophysics (**"AEM"**) identified two significant conductive zones that are anomalous to the regional geology. The AEM anomalies which are linked by a large north trending regional fault system, show features that are consistent with what could be expected from massive sulphide mineralisation.

Recent drilling by the Company intersected broad zones of copper, lead and zinc mineralisation, including a number of individual narrow higher grade zones of copper and gold, associated with broad zones of disseminated sulphides, predominantly comprised of pyrite and chalcopyrite.

Interpretation of the results indicates that the source of the geophysical anomaly identified by the AEM is below the extent of the current drilling and remains to be tested by deeper drilling.

Cauldron believes the anomaly has yet to be tested, with the recent phase of drilling intersecting up-dip near surface extensions to the target. Surface geochemical sampling programs and down-hole EM surveys are planned to commence in the June quarter 2011, to further define the target for follow-up drilling programs.



Beadell Project – Drilling and Interpreted Faults on TMI Airborne Magnetics

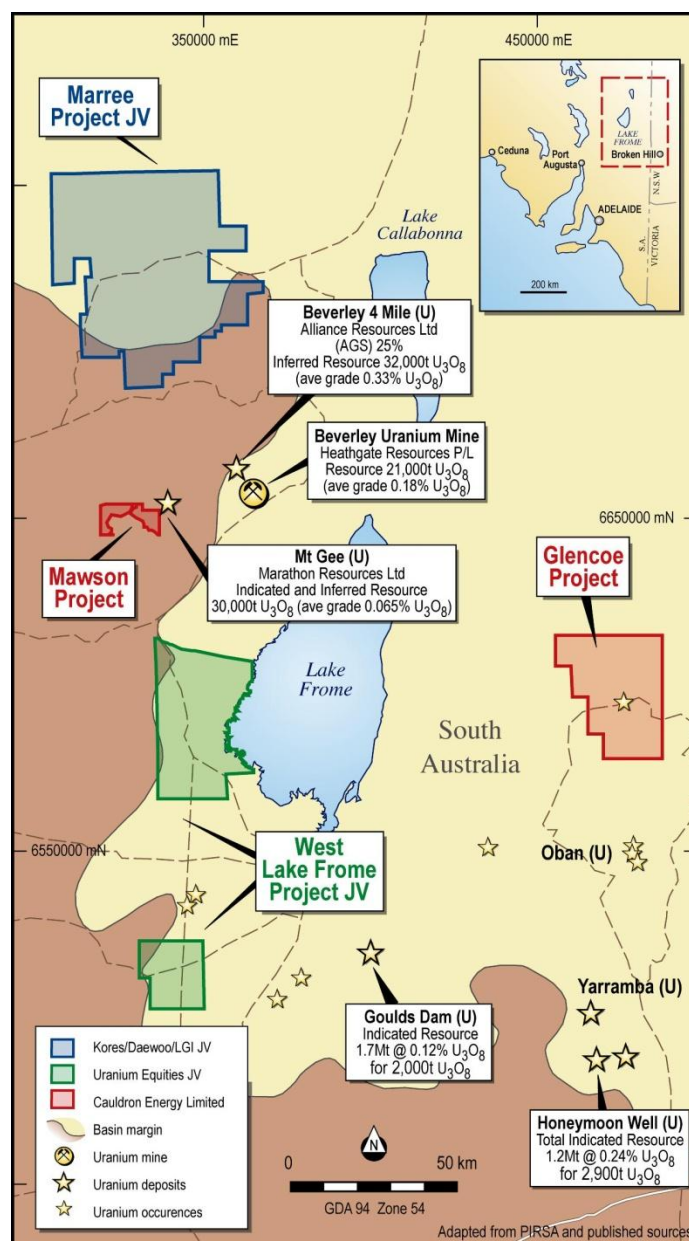
West Lake Frome Project, South Australia (100%)

The West Lake Frome Project is located between the eastern escarpment of the Flinders Ranges and the western edge of Lake Frome, with the uranium-rich source rocks of the Mount Painter Inlier to the north and the uraniferous Willyama Complex to the south. The project lies along the Arrowie-Paralana Fault system which defines the western boundary of the Frome Embayment. This regional fault system is thought to be associated with the significant uranium mineralisation at the Beverley Four Mile deposit, 40 km to the north.

Interpretation of radiometric and geophysical data suggests that uranium is being shed into the West Lake Frome Project from the adjacent North Flinders Ranges and potentially from subsurface granitoids of the Bimbowrie suite. Previous drilling is very sparse but indicates the presence of Namba and Eyre formations, host to the Beverley, Beverley 4 Mile, Goulds Dam and Honeymoon uranium deposits.

On the 31st of August 2010, the Company entered into a Farm-in and Joint Venture agreement with Uranium Equities Limited (**ASX: UEQ**) whereby UEQ will fund A\$5 million of exploration expenditure at Cauldron's West Lake Frome Uranium Project in South Australia. Under the terms of the agreement, UEQ can earn an 80% interest in the West Lake Frome Project by funding A\$5 million of exploration expenditure over (5) five years. UEQ to fund A\$0.7 million before UEQ can withdraw from the joint venture, including a minimum 4,000 metres of rotary mud drilling.

Exploration work proposals, submitted by UEQ, have been approved by the SA Government authorities, with heritage surveys and drilling operations scheduled for the June quarter 2011.



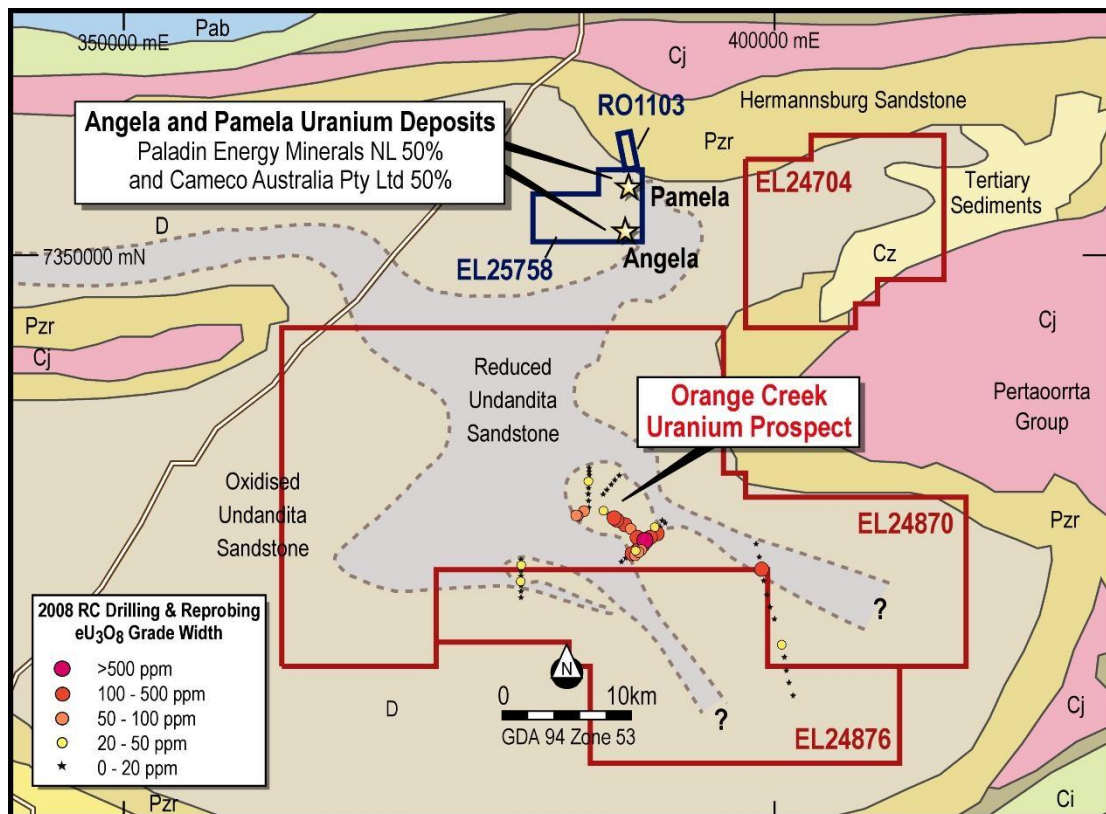
West Lake Frome Project, SA

Amadeus Uranium Project, Northern Territory (100%)

The Amadeus Project comprises three exploration licences (EL 24704, EL 24876 and EL 24870) covering 2,106 km² in the Amadeus Basin, 50 km south of Alice Springs.

The Company has focussed exploration to date for uranium mineralisation associated with a regionally extensive redox boundary similar to the adjacent Pamela and Angela Project Joint Venture (Paladin Energy Minerals (50%), and Cameco Australia (50%)).

Exploration drilling by the Company, across the central part of the Orange Creek Syncline intersected significant uranium mineralisation, including 1.0m at 926ppm eU₃O₈ across the centre and southern side of the syncline at depths of 30-40m. A second area of broadly spaced drilling intersected uranium mineralisation of up to 0.75m at 349 ppm eU₃O₈ on the regional redox boundary, a further 9 km to the south-east in a section of the Orange Creek Syncline that had not previously been tested by drilling.



Amadeus Project, NT - Geology and Significant Drilling

Corporate

Resignation of CEO

On the 4th February 2011, the Company announced the resignation of its CEO, Mr Terry Topping, who resigned to pursue other opportunities.

With the resignation of Mr Topping, Mr Sage and Mr Smith will assume the day to day management of the Company.

Appointment of Company Secretary and Change in Registered Office

On the 31st March 2011, the Company announced the appointment of Ms Claire Tolcon as the new Company Secretary, following the resignation of Kent Hunter and Stephen Brockhurst as non-executive director and Company Secretary respectively.

The Company also advises that its registered office has changed to 18 Oxford Close, Leederville, Western Australia.

Convertible Note Funding

On 17th March 2011, the Company announced the receipt of \$2 million in convertible note funding from Dempsey Resources Pty Ltd (Dempsey), a wholly owned subsidiary of Cape Lambert (ASX: CFE) (Convertible Note).

Pursuant to the terms of the Convertible Note, Dempsey has the right to convert the note into ordinary shares in CXU before the repayment date of 16th March 2012, subject to the receipt of all necessary shareholder approvals. The Convertible Note has a coupon rate of 10%.

The Company will call a shareholder's meeting in the coming months and further information in respect of the terms of the Convertible Note will be included in the material distributed to shareholders.

The funds received by the Convertible Note will be applied towards funding existing projects of the Company and working capital.

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

Tony Sage/Brett Smith

Cauldron Energy Limited

Ph: (08) 9211 0600

David Tasker

Professional Public Relations

Ph: (08) 9388 0944

Disclosure Statements

Exploration Target¹

The Exploration Target is for sandstone hosted roll front uranium mineralisation. It is based on work which has identified over 60 kilometres of redox front in the Yanrey area with associated palaeochannels. Work carried out by Cauldron has identified at least eleven palaeochannels which are prospective for uranium mineralisation. The exploration target is conceptual in nature and there has been insufficient exploration completed to date (namely drilling) to estimate a Mineral Resource in accordance with the JORC Code guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a mineral resource. The basis for this target includes;

- Gravity surveys conducted by CRA Exploration (CRAE) in the 1970's and interpretation of palaeochannels and redox boundaries.
- Previous drilling by CRAE and others from the late 1960's to early 1980's.
- Gravity surveys conducted by Cauldron completed in 2006 covering the Bennet Well Channel and the Main Road Channel for a total of 75 km².
- Three Airborne Electromagnetic (AEM) surveys conducted by Cauldron covering over 1,430 km² completed (2006 to 2009).
- Over 280 aircore, mud rotary and diamond drill holes for 30,000 metres of drilling conducted by Cauldron resulting in the definition of an Inferred Mineral Resource at Bennet Well in 2008, estimated in accordance JORC Code guidelines.
- The Bennet Well channel has had ground gravity and AEM surveys completed. A total of 174 drill holes, predominantly aircore, have been drilled by Cauldron. The area of the current resource is small (1.2 km²) compared to Manyingee (approximately 7km²). There is over 11 km² of potential mineralisation around Bennet Well with an area open to the north east returning 4.32m at 488 ppm eU₃O₈.
- CRAE completed ground gravity surveys and reconnaissance mud rotary drilling over an interpreted redox boundary at the Barradale channel, with the best result of 1.7 m at 290ppm eU₃O₈.
- Drilling of the South and North Ballard's Channels, by CRAE, returned results of 1.3m at 580 ppm eU₃O₈ and 3.7m at 107 ppm eU₃O₈, respectively. Chemical analyses from the South Ballard channel produced a result of 2.0m at 700 ppm U₃O₈.
- Historical drilling of the Main Road Channel produced a result of 1.05m at 566 ppm eU₃O₈. The recent AEM survey, completed by Cauldron, indicates that the channel is more extensive than previous interpretations.
- A new palaeochannel interpreted AEM surveys conducted by Cauldron includes a number of broadly spaced historic drill holes, with results including 2.66m at 161 ppm eU₃O₈ and 0.35 at 580 ppm eU₃O₈.
- The Osborne channel was identified by CRAE during the 1970's and was only sparsely tested.
- North of Bennet Well, potential exists along the redox boundary towards the Manyingee Deposit. This area has been inadequately tested to date, however interpretation of the AEM data, indicates the presence of potential palaeochannels.
- North of Manyingee, several other targets exist, including the extensions of the Manyingee channel, and the Spinifex channel, outlined by Cauldron's AEM and historic interpretations. Inadequately tested to date

Competent Person Statement

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

The Bennet Well resource estimate was undertaken by Robert Spiers BSc Hons, MAIG (reviewed by Simon Gatehouse, MAIG), who are full-time employees of Hellman & Schofield Pty Limited. Mr Spiers has more than five years experience in resource estimation and Mr Simon Gatehouse has more than five years experience in uranium exploration and the assessment of uranium deposits. Mr Gatehouse has specific experience in the assessment of ISL uranium deposits. Together they are Competent Persons according to the JORC Code for Reporting of Mineral Resources and Ore Reserves (2004).

The calculation of the uranium grades used in the resource estimate are based on information compiled by David Wilson BSc MSc MAusIMM from 3D Exploration Ltd based in Western Australia. These uranium grades form the basis of the resource estimate and have been calculated from the gamma results and from the disequilibrium testing. Mr Wilson has sufficient experience relevant to the

style of mineralisation and the deposit type and the activities he is undertaking to qualify as a Competent Person as defined by JORC Code for Reporting of Mineral Resources and Ore Reserves (2004).

Information relating to the uranium grades at the Marree JV Project was calculated by Duncan Cogswell BSc(Hon) MSc MAusIMM from Borehole Wireline based in South Australia. All holes were gamma logged by Borehole Wireline P/L with an Geovista 38mm total count gamma tool. The gamma tool was calibrated in Adelaide at the Department of Water, Land and Biodiversity Conservation in calibration pits constructed under the supervision of CSIRO. The gamma tool measures the total gamma ray flux in the drill hole. Readings are averaged over 5 centimetre intervals and the reading and depth recorded on a portable computer. The gamma ray readings are converted to equivalent U_3O_8 readings by using the calibration factors derived in the Adelaide calibration pits. These factors also take into account differences in hole size and water content. The grade and calibration was calculated by Duncan Cogswell BSc(hon) MSc MAusIMM from Borehole Wireline based in South Australia. Grade thickness intervals were calculated by David Wilson BSc MSc MAusIMM from 3D Exploration Ltd based in Western Australia.

The gamma radiation used to calculate the equivalent U_3O_8 is predominately from the daughter products in the uranium decay chain. When a deposit is in equilibrium, the measurement of the gamma radiation from the daughter products is representative of the uranium present. It takes approximately 2.4M years for the uranium decay series to reach equilibrium. Thus, it is possible that these daughter products, such as radium, may have moved away from the uranium or not yet have achieved equilibrium if the deposit is younger than 2.4M years. In these cases the measured gamma radiation will over or under estimate the amount of uranium present. Sandstone hosted roll front mineralisation may not be in equilibrium due to one of the above factors.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CAULDRON ENERGY LIMITED

ABN

22 102 912 783

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	63
1.2	Payments for		
	(a) exploration and evaluation	(584)	(2,638)
	(b) development	-	-
	(c) production & care & maintenance costs	-	-
	(d) administration	(766)	(1,974)
1.3	Dividends received	-	-
1.4	Interest and similar items received	17	102
1.5	Interest and other costs of finance paid	(211)	(694)
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(1,544)	(5,141)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(1,385)	(1,496)
	(c) other fixed assets	(3)	(5)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	160	394
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	500	500
1.12	Other: performance bonds put in place	(357)	(357)
	Other: contributions from JV partner	1,007	1,327
	Net investing cash flows	(78)	363
1.13	Total operating and investing cash flows	(1,622)	(4,778)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows carried forward	(1,622)	(4,778)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	172
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other: proceeds from convertible note	2,000	2,000
	Net financing cash flows	2,000	2,172
	Net (decrease) in cash held	378	(2,606)
1.20	Cash at beginning of quarter/year to date	1,863	5,131
1.21	Exchange rate adjustments to item 1.20	206	(78)
1.22	Cash at end of quarter	2,447	2,447

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	156
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

\$141,083 payment of executive and non-executive director fees;
\$15,000 paid to director related companies

Non-cash financing and investing activities

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

N/A

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

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

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

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	400
4.2 Development	-
4.3 Production	-
4.4 Administration	600
Total	1,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,447	347
5.2 Deposits at call	-	1,516
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,447	1,863

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A			
6.2 Interests in mining tenements acquired or increased	N/A			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺ securities (description)				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy- backs, redemptions				
7.3 +Ordinary securities	88,980,029	88,980,029		
7.4 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy- backs				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	86,667 33,333 900,000 2,900,000 2,000,000 2,000,000 100,000 12,866,462 2,000,000	- - - - - - - 12,866,462 -	Exercise price \$1.50 \$1.65 \$0.61 \$0.60 \$0.80 \$0.50 \$0.85 \$0.45 \$0.45	Expiry date 31 May 2011 31 May 2011 31 Oct 2011 30 Nov 2011 30 Nov 2011 30 Nov 2011 26 Mar 2012 31 Oct 2012 20 Oct 2015
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures (totals only)	-	-	-	-
7.12 Unsecured notes (totals only)	-	-	-	-

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Claire Tolcon
 Company Secretary

Date: 29 April 2011

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.