

30 September 2015



## NEW DRILLING EXCEEDS MAXIMUM EXPLORATION TARGET RANGE WITH SUCCESS AT BENNET WELL

### HIGHLIGHTS

- Latest drilling increases upper limit of Exploration Target estimate for the Bennet Well Channel, new channel identified extending 3.2 km to the southeast of the Bennet Well uranium deposit
- Exploration Target estimate for the new Bennet Well Channel has increased five-fold due to extension in strike-length and grade following the results of latest drilling
- Seven mud rotary drillholes, for 703 m drilled in Bennet Well Channel, assay highlights include:
  - BW0077: 4.15 m @ 529 ppm  $eU_3O_8$ , from 88.9 m
  - BW0078: 3.05 m @ 397 ppm  $eU_3O_8$ , from 72.4 m
  - BW0080: 1.90 m @ 480 ppm  $eU_3O_8$ , from 70.1 m
- Further successful drilling on the Bennet Well Channel likely to increase the Mineral Resource (JORC 2012) of the Bennet Well uranium deposit (36.1 Mt at 270 ppm uranium oxide for a total contained oxide content of 21.5Mlb at 150 ppm cut-off)
- Near 100% success rate in drill targeting underlines understanding of mineralisation and confidence to increase uranium endowment
- Scout drilling continues at 'BW Extended' Exploration Target

Australian resources company, Cauldron Energy Limited (**ASX: CXU**) (**Cauldron** or the **Company**) has completed drilling near its wholly owned Bennet Well uranium deposit, with results exceeding expectations of thickness and grade. This drilling was designed to test uranium mineralisation predicted in an Exploration Target estimate (ASX Announcement 22 September 2015).

Cauldron has completed an initial 7 mud rotary holes for 703 m (of total 4000 m drill program currently in progress), into Area 3 of the Exploration Target, now called the Bennet Well Channel. This zone of mineralisation is adjacent to the Bennet Well uranium deposit and is outside the limits of the Mineral Resource estimate (ASX Announcement 14 July 2015). Assuming positive results from further drilling, this zone has the potential to extend the size of the Mineral Resource of the Bennet Well uranium deposit. The Bennet Well Channel is shown as Area 3 of the Exploration Target of Figure 2.

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ASX code: CXU

251,104,266 shares  
54,225,000 unlisted options

### Board of Directors

Tony Sage  
Executive Chairman

Qiu Derong  
Non-executive Director

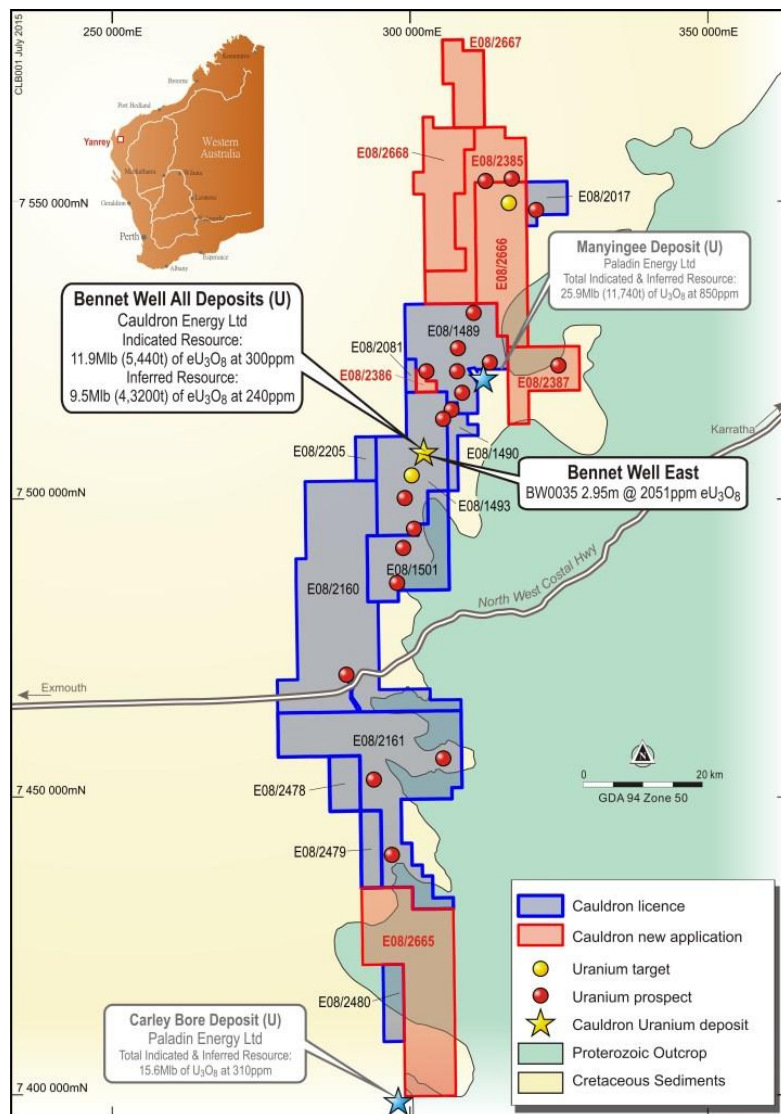
Judy Li  
Non-executive Director

Mark Gwynne  
Non-executive Director

Catherine Grant  
Company Secretary

The Bennet Well Channel is a linear zone of mineralisation proximal to the Bennet Well Mineral Resource that extends to the southeast for at least 3.2 km and is about 500 m wide. Cauldron included this area in an Exploration Target estimate (ASX announcement 22 September 2015), because of its physical appearance modelled from electromagnetic data enhanced by reported mineralisation from sparse scout drilling completed by CRAE in the mid-1980's.

Cauldron's Manager of Operations, Simon Youds said: *"This well planned drilling success provides shareholders the comfort and investors the potential of significant value increase as we see the metal content of this deposit experiencing exponential growth, along with the in-house technical skill-set in being able to significantly add to the global resource."*



**Figure 1: Bennet Well location**

## Exploration Model for the Bennet Well Uranium Deposit

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

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

New modelling of uranium mineralisation at Bennet Well has defined fifteen mineralised lenses, which provided the framework for the Mineral Resource estimate. The form of the mineralised lenses lay in specific physical features observable in gravity and electromagnetic data.

The interpretation of the Bennet Well deposit identified areas where mineralisation remains open having potential for further extension, and also areas of prospective channel morphology. These criteria were used to define Area 1 to Area 17 of the Exploration Target. The Exploration Target estimate is informed by the exploration model derived for Bennet Well, the historic drilling data completed by CRAE and Cauldron, and by the features interpreted from gravity and airborne electromagnetic data.

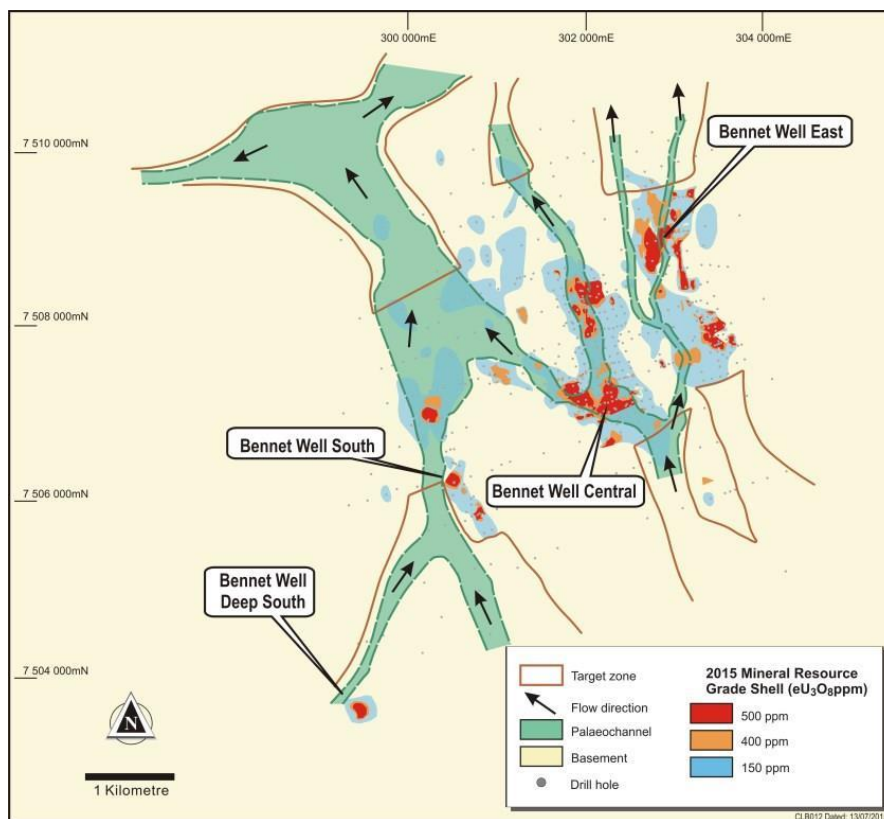
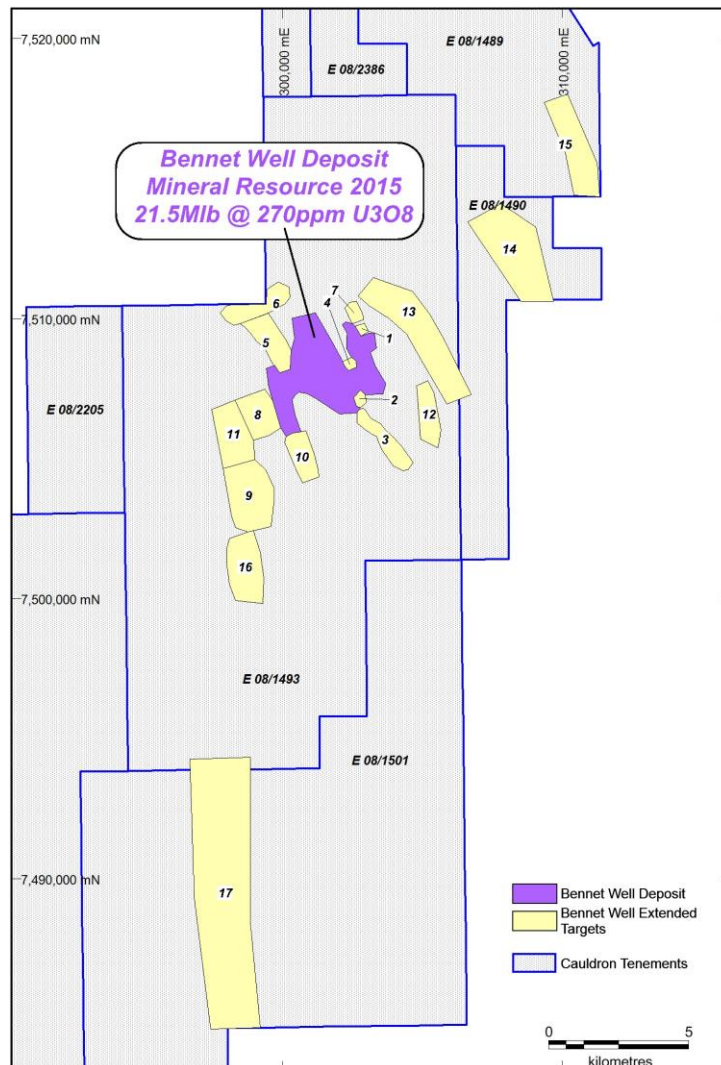


Figure 2: Bennet Well Deposit

## Exploration Target for BW Extended

Cauldron recently announced an Exploration Target for BW Extended comprising 17 target areas adjacent to, and in, the region near the Bennet Well uranium deposit (ASX announcement 22 September 2015).



**Figure 3: Bennet Well Deposit and Bennet Well Extended Targets, the Bennet Well Channel is marked by Area 3**

The Exploration Target for the entire BW Extended area is:

- 19 to 54 million tonnes of mineralisation at a grade of 300 to 420 parts per million uranium oxide ( $U_3O_8$ ), containing 18 to 53 million pounds of  $U_3O_8$  (8,000 to 24,000 tonnes of contained  $U_3O_8$ ).

The Exploration Target for the eight contiguous areas adjacent to the Bennet Well Mineral Resource is:

- *5 to 25 million tonnes of mineralisation at a grade of 205 to 360 parts per million uranium oxide ( $U_3O_8$ ), containing 4 to 23 million pounds of  $U_3O_8$  (1,800 to 10,000 tonnes of contained  $U_3O_8$ ).*

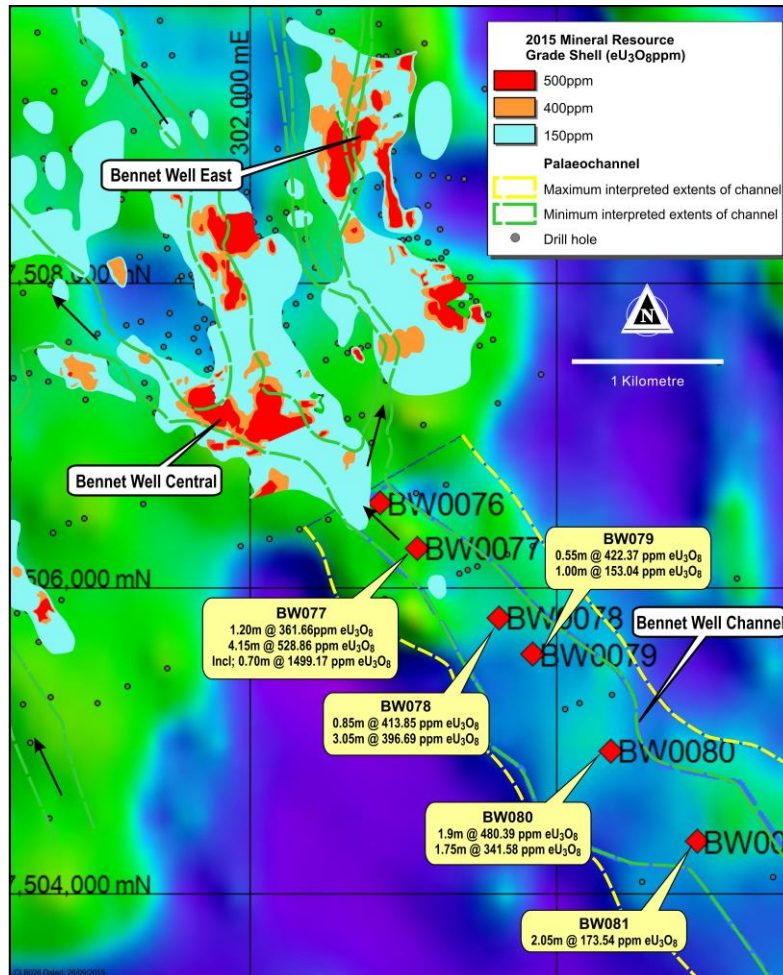
The potential quantity and grade reported for the Exploration Target is conceptual in nature; there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource over the whole of the area of this Exploration Target.

Cauldron has completed mud rotary drilling, comprising seven holes for 703 m, in Target 3 of this Exploration Target, now referred to as the Bennet Well Channel.

## **Exploration Target for Bennet Well Channel**

### **Target Area 3 of BW Extended – Bennet Well Channel**

Bound by an area approximately 3.2 km (increased from 2.7 km) in strike length and 510 m in width, this target area is oriented in a northwest-southeast direction and is coincident with a high conductive response on the regional airborne EM survey data. This region is also situated at the southern-most extent of a close-spaced (i.e. 50 m by 200 m) ground gravity geophysical survey that was completed in 2009. These results revealed the northern part of what appears to be an anomalous and coincident area of low gravity response that seems to be aligned in the same northwest-southeast orientation and may pass between what looks like two shallow basement blocks (Figure 4). Regional magnetics indicate the possible existence of a NNW-SSE trending feature that is interpreted to be a depression in the basement and, thus, a possible channel.



**Figure 4: Bennet Well Channel - plan view showing summary of mineralisation form current drilling program on EM image with interpreted channel bounds**

There are two fence lines of historical drilling that are situated within this target area. These drillholes are spaced between 50 and 200 m apart along the fence line, and approximately 1 km apart along strike. CRAE drillhole YRH086 is situated on the approximate centre of the northern fence line and returned 1.3 m @ 200 ppm eU<sub>3</sub>O<sub>8</sub>. Drillhole YRH061, situated on the western edge of the same fence line, returned an intercept of 0.40 m @ 300 ppm eU<sub>3</sub>O<sub>8</sub>. There is no information for the intercept returned from drillhole YRH060, 200 m along section to the east of YRH086, however the cross-sectional representation of the downhole natural gamma indicates mineralisation continues with similar tenor. Mineralisation intersected in YRH060 and YRH086 terminates at the margin of an interpreted pegmatitic intrusion that produces an elevated magnetic signature having considerable character.

The previously reported Exploration Target estimate for the Bennet Well Channel is between 0.59 Mt and 3.4 Mt at 223 ppm  $eU_3O_8$  for a contained uranium oxide content of between 0.3 and 1.7 Mlbs (ASX Announcement 22 September 2015).

Following the completion of seven mud rotary drillholes into this target area, all oriented along the axis of the channel, the Exploration Target can now be updated. The updated Exploration Target for the Bennet Well Channel is between 1.6 Mt and 8.6 Mt mass of mineralisation at 470 ppm  $eU_3O_8$  for a contained uranium oxide content of between 1.6 and 8.9 Mlbs.

The potential quantity and grade reported for the Exploration Target is conceptual in nature; there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource over the whole of the area of this Exploration Target.

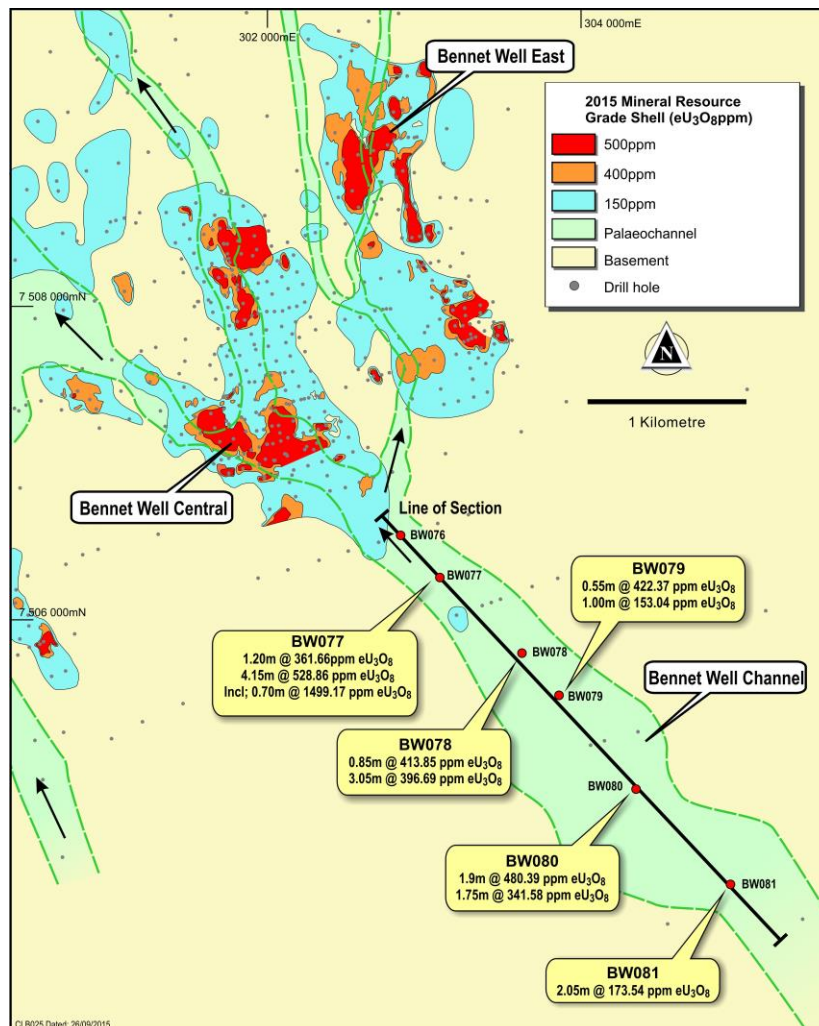


Figure 5: Bennet Well Channel - plan view showing summary of mineralisation

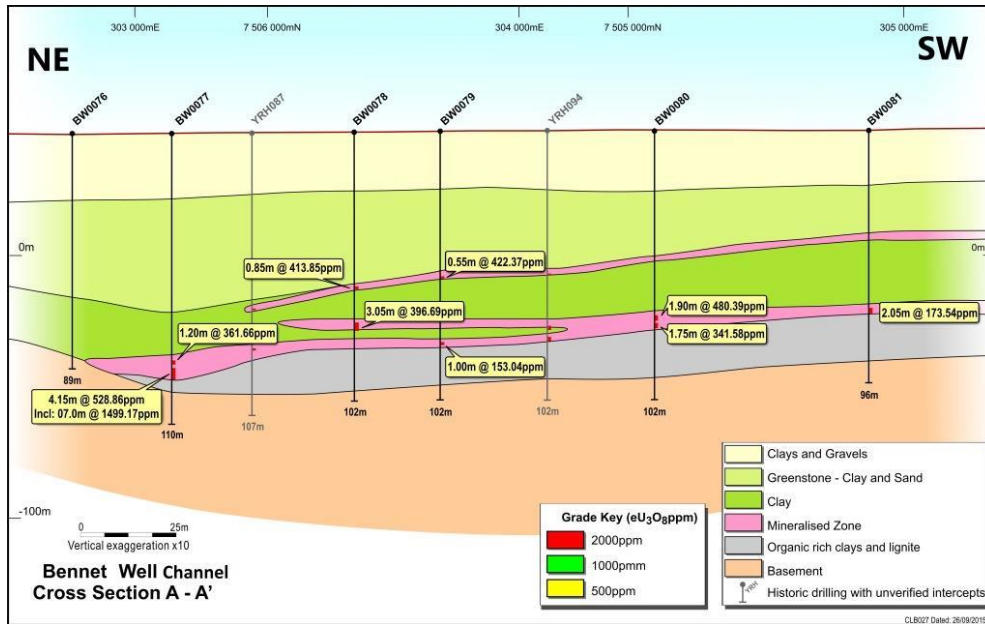


Figure 6: Bennet Well Channel - long section

## Estimates of Mineralisation

### Cautionary Statement

The estimate made here is an Exploration Target as defined by JORC 2012 Clause 17 to show the potential scale of the BW Extended targets, using:

- historic drilling data completed by CRAE, the YRH series holes (mostly Area 3) from open file reports and the interpretation of the data by Cauldron; this information cannot be duplicated by Cauldron;
- historic drilling data completed by Cauldron (its precursor company called Scimitar), the YNAC, the YNM and the YNDD series holes, and the interpretation of these data;
- use of geophysical character (particularly gravity and airborne electromagnetic data and their respective depth-to-basement models) to estimate maximum limits of sedimentary units capable of hosting mineralisation where there is insufficient drilling to do so; and
- recently developed understanding of mineralisation at Bennet Well and its associated geophysical characteristics (gravity and airborne EM), and the projection of this association into areas of sparse drilling.

Significant drilling will be required to outline the exact size and grade of the Exploration Target followed by further infill drilling before a Mineral Resource estimate is able to be reported for any of these targets.

### Criteria

*Geology and geological interpretation:* The mineralisation is classified as sandstone uranium type, associated with reduction-oxidation interfaces. The mineralisation estimated here is associated with palaeo-valley depressions; the location and size of which is interpreted from airborne electromagnetic data. From these data it is impossible to ascertain the host sedimentary unit of mineralisation and whether the mineralisation is amenable to in-situ leach type mining.

*Drilling technique (and data spacing):* The drilling used to estimate grade in each of these target areas is mud rotary, and widely spaced, with 15 holes in the area, eight of which were drilled in mid-1980's by CRAE.

*Sampling and sub-sampling techniques:* the principal sampling method was by downhole geophysical gamma logging in mud rotary drillholes and in-rod aircore holes. Cauldron is unable to verify the system of calibration for the historic YNAC holes, and has used the values as published in open file reports. The recently completed Cauldron drilling has also used natural gamma logging through the agency of a rigorous calibration system by logging specialists, Borehole Wireline Ltd.

*Sample analysis method:* the uranium grade is measured using natural gamma logging by downhole geophysical probes. Using these methods there is no requirement to collect a physical sample to assay at a commercial laboratory. At depth increments of five to ten centimetres the downhole gamma probes measures the gamma emission of some decay elements of uranium (from the uranium radioactive decay series). The gamma response is in direct proportion to the concentration of the gamma emitting element produced through radioactive decay of uranium. If the parent uranium is in secular equilibrium with its decay progeny the natural gamma response is directly proportional to the amount of uranium in the formation. In practice there are a specific set of calibration factors and correction factors that enable the use of gamma logging to estimate uranium grade. Cauldron is unable to verify the calibration methodology used in these uranium grade data for much of the historical YNAC drilling used to complete this Exploration Target. Cauldron has utilised a dead-time corrected methodology, applying hole size correction factors (correcting for variations in the diameter of the drill hole), a moisture correction factor of 1.11 and a disequilibrium factor of 1.07. The grade models and the hole-size correction factors are derived from measured data collected by logging company Borehole Wireline, using the calibration facility managed by PIRSA in Adelaide.

*Estimation methodology:* The mineralisation at Bennet Well is shown to be closely associated with the sediments filling the depression of palaeo-valleys incised into once-exposed basement; the mineralisation is wholly contained within the up-projected margins of the palaeo-valley. This palaeo-valley depression is able to be modelled on a local scale by high resolution gravity data and on wider expanses by airborne electromagnetic data. The volume of material used in this Exploration Target is estimated by averaging the downhole intercepts from drilling, using the lateral extent of channel position interpreted from gravity or electromagnetic data

- *Target Area Dimensions:* a polygon outlines the target area of the Bennet Well Channel estimated from the strike length and width (which became the maximum strike length and width of the target area) defined by the shape of the feature in airborne EM interpreted to be the palaeo-channel depression. A reduction factor to this maximum strike length and maximum width estimates is applied to derive the minimum strike length and minimum width of the target areas. The reduction factor of 0.9 is based on the style of target and in part derives from proximity to the Mineral Resource outline of Bennet Well, referred to in Table 4, as the Exploration Category. The thickness of each target area was derived from results of historic drilling and the new drilling recently completed by Cauldron. The minimum of these thicknesses was multiplied by the minimum strike length and width to calculate a minimum volume for the Bennet Well Channel. The maximum of the drilling intercept was multiplied by the maximum strike length and width to derive a maximum volume for the target area.
- *Uranium grades:* The significant intersections from each of the associated drillholes were calculated using weighted averages. The maximum, minimum and average grades displayed in the final Exploration Target table were taken from these significant intersections. The significant intercepts were derived from assays using a cut-off of 150 ppm  $U_3O_8$ , extending for at least a minimum interval of 0.5 m.
- *Bulk densities:* Bulk density values were derived from physical core samples collected during diamond core drill programs in 2008, 2013 and 2014. Samples were collected from high grade zones of mineralisation at Bennet Well and analysed for porosity, permeability and density, in order to establish the amenability of the host sediments to in situ leaching processes. Porosity and permeability values were found to vary between 23% and 43%, with an average of 34.0%. Cauldron has elected to use a conservative average porosity value of 30% from which a conservative density value of 1.74 t/m<sup>3</sup> is derived. This density value is used to convert volume to mass.

*Cut-off grade, including the basis for the selected cut-off:* financial modelling completed by Cauldron using rudimentary cost assumptions for in-situ leach mining style has shown that a cut-off of 150 ppm for Bennet Well is able to be mined economically for a uranium sale price of US\$ 40 per pound.

The mining cost assumptions used in this estimation follows:

- well spacing of 25 m centres at a cost of US\$10,000 per well
- annual production of 1.5 Mlb uranium oxide per annum (~680,000 kg)
- in situ leach recovery of 67%
- operating cost of US\$ 25/lb

*Criteria used for classification, including drill and data spacing and distribution:* A classification is not applicable for an Exploration Target. Drill and data spacing is described above.

*Proposed Work for Further Testing of the Exploration Target:* It is estimated that a further 13 drillholes is required to bring the Exploration Target estimate of the Bennet Well Channel into the Inferred category of a Mineral Resource estimate. This number of drillholes provides the required drill spacing at Bennet Well for categorisation as Inferred Mineral Resource. The exact number at Bennet Well Channel will be dependent upon results, particularly, grade variation and complexity of deposit margin.

**End.**

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

**Simon Youds**

Cauldron Energy Limited

Ph: (08) 9380 9555

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

**Table 1: Drilling Summary Assay from Recent Drilling in Bennet Well Channel**

| Hole ID | East          | North   | RL   | EOH   | Dip     | Azi | Intersection          |        | Width | Grade                              |
|---------|---------------|---------|------|-------|---------|-----|-----------------------|--------|-------|------------------------------------|
|         | MGA94 Zone50S |         | m    | m     | Degrees |     | From(m)               | To (m) | m     | eU <sub>3</sub> O <sub>8</sub> ppm |
| BW0075  | 302361        | 7508290 | 45.1 | 102.0 | -90     | 0   | No significant assays |        |       |                                    |
| BW0076  | 302847        | 7506556 | 45.8 | 89.0  | -90     | 0   | No significant assays |        |       |                                    |
| BW0077  | 303092        | 7506263 | 45.9 | 110.0 | -90     | 0   | 86.00                 | 87.20  | 1.20  | 361                                |
|         |               |         |      |       |         |     | 88.90                 | 93.05  | 4.15  | 528                                |
|         |               |         |      |       |         |     | 89.35                 | 90.05  | 0.70  | 1499                               |
| BW0078  | 303626        | 7505809 | 46.8 | 102.0 | -90     | 0   | 58.70                 | 59.55  | 0.85  | 413                                |
|         |               |         |      |       |         |     | 72.40                 | 75.45  | 3.05  | 396                                |
| BW0079  | 303845        | 7505567 | 46.8 | 102.0 | -90     | 0   | 54.90                 | 55.45  | 0.55  | 422                                |
|         |               |         |      |       |         |     | 79.85                 | 80.85  | 1.00  | 153                                |
| BW0080  | 304360        | 7504936 | 47.2 | 102.0 | -90     | 0   | 70.05                 | 71.95  | 1.90  | 480                                |
|         |               |         |      |       |         |     | 73.00                 | 74.75  | 1.75  | 341                                |
| BW0081  | 304921        | 7504342 | 47.5 | 96.0  | -90     | 0   | 67.65                 | 69.70  | 2.05  | 173                                |

Note: Intercepts derived using a minimum grade of 150 ppm eU<sub>3</sub>O<sub>8</sub> that extends for at least 0.4 m downhole thickness

**Table 2: Historical drilling results for the Exploration Target of Bennet Well Channel**

| Target ID           | Hole ID | Hole Type | Easting<br>GDA94 | Northing<br>GDA94 | RL (m) | EOH<br>Depth (m) | Depth From<br>(m) | Depth To<br>(m) | Thickness (m) | Grade ppm<br>eU <sub>3</sub> O <sub>8</sub> | GT     |
|---------------------|---------|-----------|------------------|-------------------|--------|------------------|-------------------|-----------------|---------------|---------------------------------------------|--------|
| Bennet Well Channel | YRH061  | RM        | 303200           | 7506039           | 47     | 117              | 103.10            | 103.50          | 0.40          | 300.00                                      | 120.00 |
|                     | YRH086  | RM        | 303481           | 7506141           | 46     | 57               | 51.40             | 52.80           | 1.40          | 120.00                                      | 168.00 |
|                     | YRH086  | RM        | 303481           | 7506141           | 46     | 57               | 54.90             | 56.20           | 1.30          | 200.00                                      | 260.00 |
|                     | YRH087  | RM        | 303365           | 7506100           | 48     | 107              | 66.70             | 67.00           | 0.30          | 800.00                                      | 240.00 |
|                     | YRH087  | RM        | 303365           | 7506100           | 48     | 107              | 82.00             | 82.40           | 0.40          | 560.00                                      | 224.00 |
|                     | YRH093  | RM        | 304150           | 7505245           | 48     | 108              | 84.20             | 84.60           | 0.40          | 130.00                                      | 52.00  |
|                     | YRH093  | RM        | 304150           | 7505245           | 48     | 108              | 86.30             | 87.40           | 1.10          | 370.00                                      | 407.00 |
|                     | YRH094  | RM        | 304057           | 7505209           | 49     | 102              | 54.00             | 54.40           | 0.40          | 240.00                                      | 96.00  |
|                     | YRH094  | RM        | 304057           | 7505209           | 49     | 102              | 73.80             | 75.20           | 1.40          | 320.00                                      | 448.00 |
|                     | YRH094  | RM        | 304057           | 7505209           | 49     | 102              | 78.00             | 79.40           | 1.40          | 150.00                                      | 210.00 |

Note: Average Grade is 222 ppm eU<sub>3</sub>O<sub>8</sub>; average thickness is 0.85 m.

**Table 3: Target Estimations for Bennet Well Channel**

| Bennet Well Channel        | Target | Estimated Grade<br>(DeConv eU <sub>3</sub> O <sub>8</sub> ppm)** |     |     | Estimated Tonnage (t) |           |           | Target (Mlbs)*** |      |
|----------------------------|--------|------------------------------------------------------------------|-----|-----|-----------------------|-----------|-----------|------------------|------|
|                            |        | Min                                                              | Ave | Max | Min                   | Max       | Est       | Min              | Max  |
| Historic drilling Only     | 3      | 120                                                              | 223 | 800 | 592,286               | 3,412,349 | 2,071,783 | 0.29             | 1.67 |
| Historic plus new drilling | 3      | 150                                                              | 470 | 800 | 1,625,884             | 8,602,560 | 4,874,784 | 1.68             | 8.91 |

\*\* estimated using Average Grades from existing drilling within target area

High precision in values of table is not implied (just shown with high precision to show exact computation); rounded values used in text

**Table 1: Target details used in estimation of the Exploration Target for Bennet Well Channel; improved exploration category from C to B after completion of seven new mud rotary drillholes**

| Bennet Well Channel        | Exploration Category | Anomaly Size Discount | Approx. Strike Length (m) |      |        | Approx. Width (m) |     |        | Thickness of eU <sub>3</sub> O <sub>8</sub> (m)* |      |      | Estimated Volume (m <sup>3</sup> ) |           |           | Ave Dry Bulk Density**- kg/m <sup>3</sup> |
|----------------------------|----------------------|-----------------------|---------------------------|------|--------|-------------------|-----|--------|--------------------------------------------------|------|------|------------------------------------|-----------|-----------|-------------------------------------------|
|                            |                      |                       | Min                       | Max  | Approx | Min               | Max | Approx | Min                                              | Max  | Ave  | Min                                | Max       | Est       |                                           |
| Historic                   | C                    | 0.9                   | 2448                      | 2720 | 2720   | 464               | 515 | 515    | 0.30                                             | 1.40 | 0.85 | 340,394                            | 1,961,120 | 1,190,680 | 1740                                      |
| Historic plus new drilling | B                    | 0.9                   | 2880                      | 3200 | 3200   | 464               | 515 | 515    | 0.70                                             | 3.00 | 1.70 | 934,416                            | 4,944,000 | 2,801,600 | 1740                                      |

High precision in values of table is not implied; rounded values used in text

\* Average thickness' taken from Table 1 and 2

\*\* Average Dry Bulk Density (sampled core 2013-15) - kg/m<sup>3</sup>

Exploration Categories:

*A - to improve and upgrade Mineral Resources or to improve metallurgical understanding of the deposit*

*B - to test strike extensions from existing, defined high-grade mineralisation*

*C - to follow-up to test geophysical or geochemical anomalies, in areas of poor drilling density*

*D - to follow-up areas of geophysical or geochemical anomalism, observed in more than one datasets, previously untested by drilling*

*E - to test isolated geophysical/geochemical anomalies in areas previously untested by drilling*

# JORC Code, 2012 Edition – Table 1 – Yanrey Project – Bennet Well Channel Exploration Target 2015

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

| Part | Criteria            | Explanation                                                                                                                                                                                                                                                                                                                 | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1-1  | Sampling Techniques | <i>Nature and quality of sampling (e.g. cut channels, random chips, or specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments etc.). These examples should not be taken as limiting the broad meaning of sampling.</i> | <p>The principal sampling method for all drilling conducted at the Bennet Well and larger Yanrey projects has been by downhole geophysical gamma logging to determine uranium assay and in-situ formation density data. Data collected at 1 cm sample rate comprised gamma ray (two calibrated sondes on two separate sonde stacks), caliper, dual lateral resistivity, dual induction and triple density. Downhole geophysical log data was collected by contractors, Borehole Wireline Logging Services of Adelaide using GeoVista made downhole slim-line tools.</p> <p>Core samples were also collected for the diamond drilling conducted in 2013 and 2014 however these data have not been deemed as being representative of the entire project area and have therefore not been used in the derivation of the Exploration Target.</p> <p>All uranium assay grade is determined from deconvolved gamma logs; using non dead-time corrected calibrated gamma sondes, the consecutive application of a smoothing and sharpening filter on the raw data, hole-size correction, moisture correction, and a correction for secular disequilibrium.</p> <p>All in-situ formation density estimated from data was collected by a triple density probe; using calibrated density sondes from the three channels of the probe (short spaced, long spaced and bed resolution density). These data were corrected for the high background gamma environment of the mineralised zone (by running the probe without the source in grades above 800 ppm eU<sub>3</sub>O<sub>8</sub>) and for variations in hole-size by applying a hole-size correction model derived from the AMDEL calibration facility.</p> |
|      |                     | <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>                                                                                                                                                                        | Downhole gamma logging was performed by Borehole Wireline Pty Ltd using a Geovista 38mm total count gamma probe. Calibration of two gamma sondes was completed using non-dead-time corrected grade and hole-size correction models, and for the density sonde using a density model and a hole-size correction model.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|      |                     | <i>Aspects of the determination of</i>                                                                                                                                                                                                                                                                                      | Data was collected at 1 cm sample intervals down the length of the drillhole. Uranium assay                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

| Part | Criteria                     | Explanation                                                                                                                                                                                                                                                                                  | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      |                              | <i>mineralisation that are Material to the Public Report.</i>                                                                                                                                                                                                                                | grades were determined from deconvolved gamma logs using non dead-time corrected calibrated gamma sondes, the consecutive application of a smoothing and sharpening filter on the raw data, hole-size correction, moisture correction, and a correction for secular disequilibrium. Downhole geophysical logging was undertaken by contractors, Borehole Wireline Logging Services of Adelaide using GeoVista made downhole slim-line tools.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|      | <b>Drilling Techniques</b>   | <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> | Drilling within the Bennet Well – Yanrey project consists of various phases of rotary mud, aircore and diamond core drilling conducted between 1979 (historical) and 2014 (CXU). All holes were drilled vertically. The breakdown of programs is as follows: <ul style="list-style-type: none"> <li>➤ pre-2013: historical drilling consisting mostly of aircore, comprising 285 holes for a total of 29,065 m and rotary mud, consisting of 95 holes for 8,993 m .</li> <li>➤ 2013: diamond core drilling comprising a total of 8 holes, consisting of 356 m rotary mud pre-collars and 257 m of HQ diamond core tails. The rotary mud pre-collars were drilled at a diameter of 5 ¼” while the diamond core tails were drilled with triple-tube PQ (diameter 83mm) in areas of hard drilling, and subsequently HQ (61mm) when the target zone of mineralisation was intersected.</li> <li>➤ 2014: approximately 90 % of the drill program was comprised of rotary mud (diameter for a total of 67 holes (5,785 m), while 10% consisted of triple tube diamond-drilled PQ core for a total of 6 holes (534m). The bore wall was stabilised by bentonite muds and chemical polymers.</li> </ul> |
| 1-2  | <b>Drill Sample Recovery</b> | <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>                                                                                                                                                                                               | Core processing for the 2013 and 2014 diamond drill programs involved checking every run for accuracy on drilling blocks to identify areas of core loss/gain that would then assist with determination of total core recovery. Recoveries of core were measured inside the splits before transferring it to the core trays. The measured recoveries were then logged in a database and later used to determine recovery percentages. Average core recoveries for the 2013 and 2014 programs were 93.6% and 87.8%, respectively.<br><br>Sample recovery from mud rotary drilling is not required for assay, but during the 2014 program a sample was collected in 1 m downhole increments and laid out near the drill collar for use in logging the downhole lithology, redox state, alteration and the stratigraphic sequence. A specimen sample of each downhole increment for each drillhole remains on-site.                                                                                                                                                                                                                                                                                 |
|      |                              | <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>                                                                                                                                                                                           | Sample recovery from the mud rotary drilling has never been recorded because a physical sample is unnecessary for assay determination.<br><br>Triple tube PQ core has been determined as the most effective drilling method (outside of potential use of sonic drilling) to maximize recovery of the mostly unconsolidated interbedded sand and clay sequences hosting the mineralisation. The 2013 and 2014 diamond core programs involved drilling run lengths of 3.0 m outside of the target ore zone and then decreasing the run length to 1.5, 1.0 and even 0.5 m on approach to and within the ore zone itself. The short runs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

| Part | Criteria                                       | Explanation                                                                                                                                                                                              | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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|      |                                                |                                                                                                                                                                                                          | were found to achieve the best overall recovery.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|      |                                                | <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>                                  | <p>Cauldron has not identified any relationship between sample recovery and the determination of uranium assay from deconvolved gamma ray data.</p> <p>Variations in uranium grade caused by changing drillhole size is minimised through an accurate measurement of hole diameter using the caliper tool and application of a hole-size correction factor. Hole-size correction models have been determined by Borehole Wireline, using data collected at the PIRSA calibration facility in Adelaide; with a hole-size correction factor derived as a function of drillhole diameter.</p>                                                                                                                                                                                                                                                                                                                                                                                                          |
| 1-3  | Logging                                        | <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> | <p>All mud rotary chips are geologically logged and used to assist in the interpretation of the resistivity, induction and density profiles derived from the downhole geophysical sondes. Uranium assay for a potential in-situ leach project requires mineralisation to be hosted in a porous sedimentary sequence that is readily leachable, and is determined for the former geophysical data and the mud rotary chips.</p> <p>The drill core was also geologically logged in greater detail than that undertaken during the logging of the mud rotary chips. This information was later used in a deposit-wide geological interpretation exercise and the subsequent establishment of a working 3D exploration model that has also been used in the derivation of the Exploration Target as well the planning and design of the proposed work to test these Targets.</p> <p>No geotechnical data was collected due to the generally flat-lying geology and mostly unconsolidated sediments.</p> |
|      |                                                | <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>                                                                                           | <p>The geological logging completed was both qualitative (sediment/rock type, colour, degree of oxidation, etc.) and quantitative (recording of specific depths and various geophysical data).</p> <p>The chip samples were sieved and photographed wet (lightly sprayed with water) and dry. Selected half-core zones were also photographed by Core Labs Australia, (Kewdale, W.A.), showing the cut and cleaned surfaces.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|      |                                                | <i>The total length and percentage of the relevant intersections logged.</i>                                                                                                                             | All mud rotary chip samples and core samples were geologically logged. All drillholes from the 2013 and 2014 programs were logged with the downhole geophysical probes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 1-4  | Sub-Sampling Techniques and Sample Preparation | <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>                                                                                                                         | <p>Most of the core from the 2013 program was cut on-site in half using an angle grinder and chisels by the Site Geologist since the core was loosely consolidated. More consolidated core was cut at Core Labs (Kewdale, W.A.) using a diamond blade saw.</p> <p>Core from the 2014 program was treated differently. Immediately after the drilled core was measured and logged, the trays containing the target mineralised zones would be separated from</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

| Part | Criteria | Explanation                                                                                                  | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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|      |          |                                                                                                              | <p>the ‘barren’ core. Core from the mineralised zone were wrapped in cling-wrap and the whole trays were then stored and transported within freezers for delivery to Core Labs, Kewdale W.A.</p> <p>Drill core samples from both the 2013 and 2014 diamond core programs were processed at Core Labs (during their respective exploration periods) and selected intervals chosen for porosity/density and permeability testing (PdpK) which involved the drilling of a half-inch length plug removed from the interval of core.</p> <p>Intervals were later selected for geochemical assay sampling which involved the collection of half core for normal samples and quarter core as duplicate (QAQC) samples. The geochemical assay results have not been used in the calculations behind the derivation of the Exploration Target in this report and therefore have not been included here.</p> <p>After the sampling process, the surfaces of the remaining half-core intervals were cleaned and smoothed by the use of very small, thin razor blades and thin brushes (for the removal of the resulting dust and debris). This procedure is part of the “slabbing” procedure routinely conducted by Core Labs. Once the core was sufficiently cleaned, profile permeability measurements were taken to establish amenability to the passage of fluids through the mineralised target zones.</p> |
|      |          | <i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>        | No mud rotary chip samples were collected for geochemical assay.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|      |          | <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>    | <p>Rotary mud drilling does not require a physical sample to assay nor would it provide a sufficiently clean sample if there was a need for geochemical assaying (because it involves an open hole with no control on contamination or smearing of the sample between metres). However, this type of drilling does allow the passage of geophysical probes which can derive assay for uranium mineralisation. A check against assay and density derived from gamma and density probes, respectively, will be completed using physical sampling derived from core drilled during the 2014 program.</p> <p>Geochemical assays from the diamond core have not been used in the derivation of the Exploration Targets. Sampling information will therefore not be included here as it is deemed irrelevant for the purpose of this report.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|      |          | <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> | Two calibrated gamma probes run in separate stacks were utilised to derive uranium assay from every hole. Assay from only one probe (the grade probe) is used in grade determination; the alternate probe is used to check the result derived from the grade probe. This cross-check is used to check if the correct calibration models are applied to the data, and to ascertain potential spurious results from a damaged probe or a probe that drifts out of calibration range.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

| Part | Criteria                                          | Explanation                                                                                                                                                                     | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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|      |                                                   |                                                                                                                                                                                 | Geochemical assays from the diamond core have not been used in the derivation of the Exploration Targets. Sampling information will therefore not be included here as it is deemed irrelevant for the purpose of this report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|      |                                                   | <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> | <p>All holes drilled during the 2014 rotary mud / diamond core program were assayed with two different calibrated gamma probes.</p> <p>Geochemical assays from the diamond core have not been used in the derivation of the Exploration Targets. Sampling information will therefore not be included here as it is deemed irrelevant for the purpose of this report.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|      |                                                   | <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>                                                                                    | <p>During the downhole logging process, the gamma and density probe used for uranium assay determination and in situ density measurement is retracted past in-situ material accessed by the drillhole. No sorting of sample by grain size will occur under these conditions.</p> <p>Cauldron used well known laboratories for geochemical assessment of the core samples to ensure that all sample preparation including crushing and pulverizing was suitable for the material being tested.</p> <p>The profile permeability measurements were taken every 15 centimetres, where possible, along the cut face of the remaining one-half core section, throughout each of the 8 x drill core holes. The grain size of the sampled material is therefore not relevant to the selection of sample points for this type of analysis.</p> <p>Samples selected for the porosity/grain and bulk density testwork were trimmed, dried and cooled (see “Sampling Techniques” section) according to standard Core Lab sampling procedures. Material grain size is also irrelevant to the selection of samples for these testworks.</p> |
| 1-5  | <b>Quality of Assay Data and Laboratory Tests</b> | <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>                         | <p>Borehole Wireline Logging Services have strict quality assurance procedures to ensure tool reliability and tool calibration. Borehole Wireline has collected recent data to calibrate the gamma, density and caliper probes, and has supplied these data to Cauldron.</p> <p>Provided appropriate correction factors and assay control, deconvolved downhole gamma assay provide the best assay for uranium hosted in unconsolidated sedimentary material, because of low sample quality derived from RC drilling and potential low recovery from core drilling.</p> <p>Geochemical assays from the diamond core have not been used in the derivation of the Exploration Targets. Sampling information will therefore not be included here as it is deemed irrelevant for the purpose of this report.</p> <p>The PdpK technique is a well-used procedure throughout the Oil and Gas Industry and is widely used by Core Labs for many Petroleum companies throughout the world. As such, this analytical</p>                                                                                                               |

| Part | Criteria | Explanation                                                                                                                                                                                                                              | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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|      |          |                                                                                                                                                                                                                                          | method is usually considered to result in a very accurate, representative and precise data set.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|      |          | <i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> | <p>Deconvolved uranium grade from gamma logging comprises the following:</p> <ul style="list-style-type: none"> <li>• each gamma tool is calibrated for tool count (gamma scintillations) against uranium response in the PIRSA calibration pits, Adelaide; using the revised pit grades of Dickson 2012</li> <li>• hole size correction factor is applied; which is generated from the PIRSA calibration pits, Adelaide; applied to every hole based on the measured hole diameter of the drillhole</li> <li>• moisture correction factor of 1.11 is applied because of the difference in dry weight uranium grade between the relatively dry calibration pits compared to the saturated unconsolidated sediments that are host to the deposit</li> <li>• disequilibrium factor of 1.07 is applied to all holes based on minimal data that needs further analysis and quantification</li> </ul> <p>Profile permeability was measured on the cut face of the remaining one-half core section of each of the core holes using the PdpK TM 300 Profile Permeameter. Measurements were made approximately every 15 centimetres, where possible, along the core. A total of only 514 point measurements were made from the 2013 program, as the core in each hole was in a very deteriorated condition. The 2014 core samples submitted for PdpK testing returned a total of 258 point measurements because of more constrained sampling procedures in line with budgetary limitations.</p> <p>Samples selected for porosity, grain and bulk density measurement were first weighed and then processed through the Ultrapore TM 400 Porosimeter to first determine Grain Volume, using a combination of Helium gas and calculations involving Boyle's Law. A calibration check plug was run after every 5th sample. Grain density data was subsequently calculated from the grain volume and sample weight results.</p> <p>Bulk volume data for each of the samples were obtained by the use of Mercury displacement (using a Volumetric Displacement Pump) and Grain Volume data. Dry bulk density data was subsequently calculated using these resulting bulk volumes and the sample weights.</p> <p>The porosity of each sample was finally calculated from the same dataset using the bulk volume results and the grain volume data obtained at the beginning of the process.</p> |
|      |          | <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>                  | <p>In every hole, duplicate deconvolved gamma assay data is derived from two distinct probes and used to check for potential inaccuracy caused by electronic malfunction of any probe at any possible time.</p> <p>Core Labs, Perth, performed their own in-house calibration checks (such as running the calibration check plugs every 5th sample on the Ultrapore 400 Porosimeter) and re-running</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

| Part | Criteria                              | Explanation                                                                                                                       | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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|      |                                       |                                                                                                                                   | samples through the respective machines, as part of their quality control procedures.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 1-6  | Verification of Sampling and Assaying | <i>The verification of significant intersections by independent or alternative company personnel.</i>                             | Independent checks were completed on these data by Borehole Wireline; which were cross-checked by Cauldron against deconvolved gamma grades derived by Cauldron.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|      |                                       | <i>The use of twinned holes.</i>                                                                                                  | Eight core holes drilled in 2013 comprised a mix of twinned holes and new exploration holes in geologically and mineralogically significant areas. The core holes that served as twins were situated between 2.0 m to 10.0 m from the original holes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|      |                                       | <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> | <p>Data used to derive deconvolved gamma assay (depth, gamma reading and caliper, tool ID, calibration ID) is stored in .LAS files (a common industry space delimited format for downhole geophysical data) and viewed in WellCad (saved as WellCad .WCL files) which is then later uploaded to SQL database. The database and server is backed up regularly.</p> <p>Preliminary and final PdpK data are stored as '.csv' files on the Cauldron server for future reference. All data is verified by senior personnel and then entered into an in-house SQL database by a designated database consultant who manages all data entry. All data is saved as electronic copies with server backups completed.</p> <p>Profile permeability data is reported in units of milli Darcies or Darcies</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|      |                                       | <i>Discuss any adjustment to assay data.</i>                                                                                      | <p>Geochemical assays from the diamond core have not been used in the derivation of the Exploration Targets. Sampling information will therefore not be included here as it is deemed irrelevant for the purpose of this report.</p> <p>A disequilibrium factor of 1.07 is applied to the gamma deconvolved grade to account for secular disequilibrium as measured by ANSTO on limited samples in 2007; and by the difference between wet chemical assay derived from core and deconvolved assay derived from gamma logging as seen in the core drilling completed in 2013. Spatial variations in secular disequilibrium in any orebody is common; and can range from a value both greater and less than 1. More work is required to map the variations in secular disequilibrium.</p> <p>The calculations used to obtain the grain, bulk and porosity data, and the respective reported units given to each data set, are as follows:</p> <p>Grain density and volume: <math>GD = W1/GV</math> where: GD = Grain Density (grams per cubic centimeter – g/cc) W1 = Weight of sample (grams - g) GV = Grain Volume (cubic centimetres – cc)</p> <p>Porosity: <math>\emptyset = ((BV-GV)/BV) \times 100</math> where: <math>\emptyset</math> = Porosity (percent - %) BV = Bulk Volume</p> |

| Part | Criteria                      | Explanation                                                                                                                                                                                                                         | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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|      |                               |                                                                                                                                                                                                                                     | <p>(cubic centimetres – cc) GV = Grain Volume (cubic centimetres – cc)</p> <p>Bulk Density: <math>BD = W1/BV</math> where: BD = Bulk Density (grams per cubic centimeter – g/cc) W1 = Weight of sample (grams – g) BV = Bulk Volume (cubic centimetres – cc)</p>                                                                                                                                                                                                                                                                                                                                |
| 1-7  | Location of Data Points       | <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>                                                  | <p>The method to locate collars is by a real-time kinematic GPS system having an accuracy of plus or minus 0.5 m in the X-Y-Z plane, collected by qualified surveyor, Phil Richards of MHR Surveyors, WA. The relative level is determined from levelling to a grid derived from Shuttle Radar Topographic Mission (SRTM) data having 90 m sample spacing.</p> <p>No downhole surveys were completed since all holes were drilled vertically and the shallow drillhole depths relative to wide drill spacing would have minimal effect on potential mis-position of mineralised intercepts.</p> |
|      |                               | <i>Specification of the grid system used.</i>                                                                                                                                                                                       | The grid system used at the Bennet Well-Yanrey project area is MGA_GDA94, Zone 50. All data is recorded using Easting and Northing and AHD.                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|      |                               | <i>Quality and adequacy of topographic control.</i>                                                                                                                                                                                 | The primary topographic control is from SRTM. This technique is adequate given the generally flat-lying nature of the sediments. The highly accurate RTK pickups of collars from the most recent drilling is for only a small portion of the total drilling of the deposit; the SRTM derived data provide the best means to mitigate against level-busts that would occur with RL derived from two different methods.                                                                                                                                                                           |
| 1-8  | Data Spacing and Distribution | <i>Data spacing for reporting of Exploration Results.</i>                                                                                                                                                                           | <p>Spacing of holes drilled historically is variable between 30 and 200 m on individual fence lines, and 50 m to 1,100 m between fence lines along strike.</p> <p>Spacing of the core holes from the 2013 drilling program varied between 350 m and 800 m within individual prospects.</p> <p>The spacing of the drill holes from the 2014 program varied between 100 m and 800 m within individual prospects.</p>                                                                                                                                                                              |
|      |                               | <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> | The area occupied by the deposit is very large and therefore drill spacing has always been variable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|      |                               | <i>Whether sample compositing has been applied.</i>                                                                                                                                                                                 | Downhole geophysical data was collected on 0.01 m increments; a running five point smoothing average was subsequently applied to these data for the purposes of reducing file storage sizes.                                                                                                                                                                                                                                                                                                                                                                                                    |

| Part | Criteria                                                       | Explanation                                                                                                                                                                                                       | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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|      |                                                                |                                                                                                                                                                                                                   | <p>All downhole geophysical data was later composited to 0.50 m increments for the purpose of block modelling for the revision of the mineral resource estimate.</p> <p>The only compositing undertaken for core thus far was conducted in 2013 in relation to leach testing by ANSTO over a selected interval. A total of 34 and 10 assay pulp samples for YNDD018 and YNDD022 respectively were composited to make the leach test samples. These results however have not been used in the derivation of the Exploration Target supplied in this report.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 1-9  | <b>Orientation of Data in Relation to Geological Structure</b> | <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>                                                 | All drill holes were drilled vertically since the sediments are mostly unconsolidated and generally flat-lying. All holes therefore sample the true width of mineralisation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|      |                                                                | <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> | No sampling bias is observed by the orientation of the drill holes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 1-10 | <b>Sample Security</b>                                         | <i>The measures taken to ensure sample security.</i>                                                                                                                                                              | <p>Chips collected from each rotary mud and aircore drill hole are stored securely in a locked sea container at the Bennet Well Exploration Camp. Diamond drill core from the 2008 and 2013 drill programs is also stored at a secure location on the project site, in lockable sea containers.</p> <p>If there is a requirement to transport core to Perth for sampling and assaying, the following procedure is followed:</p> <ul style="list-style-type: none"> <li>➤ core is frozen, wrapped and stacked on pallets and strapped with secure metal strapping;</li> <li>➤ A Ludlum Alpha/Gamma Surface meter is then used to measure the concentration of alpha/gamma particles (if any) being emitted from each of the pallets.</li> <li>➤ Pending the results of these surveys, and in accordance with the Safe Transport of Radioactive Material (2008) guidelines issued by the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA), the appropriate transport documentation was inserted into the top layer of plastic pallet wrap in such a way as to be visible to the transporter, if required.</li> <li>➤ Upon arrival at the desired destination in Perth, the core is finally inspected by senior Cauldron personnel to check that sample integrity has been maintained.</li> </ul> |
| 1-11 | <b>Audits or Reviews</b>                                       | <i>The results of any audits or reviews of sampling techniques and data.</i>                                                                                                                                      | Cauldron's Competent Person has verified all sampling techniques and data collection is of high standard and no reviews are required at this stage.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

| Part | Criteria                                       | Explanation                                                                                                                                                                                                                                                                         | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| 2-1  | <b>Mineral Tenement and Land Tenure Status</b> | <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> | All drilling was completed, at various times, on exploration tenements E08/1493, E08/1489, E08/1490 and E08/1501, which are now 100% owned by Cauldron.<br><br>A Native Title Agreement is struck with the Thalanyji Traditional Owners which covers 100% of the tenements listed above.                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|      |                                                | <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>                                                                                                                                     | These tenements are in good standing and Cauldron is unaware of any impediments for exploration on these leases.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 2-2  | <b>Exploration Done by Other Parties</b>       | <i>Acknowledgment and appraisal of exploration by other parties.</i>                                                                                                                                                                                                                | A 70 km long regional redox front and several palaeochannels were identified by open hole drilling by CRA Exploration Pty Ltd (CRAE) during the 1970s and early 1980s. CRAE drilled over 200 holes in the greater Yanrey Project area, resulting in the discovery of the Manyingee Deposit and the identification of uranium mineralisation in the Bennet Well channel and the Spinifex Well Channel. Uranium mineralisation was also identified in the Ballards and Barradale Prospects.                                                                                                                                                                                                                                                  |
| 2-3  | <b>Geology</b>                                 | <i>Deposit type, geological setting and style of mineralisation.</i>                                                                                                                                                                                                                | At least 15 major palaeochannels have been identified in the greater Yanrey project area at the contact between the Cretaceous aged marine sediments of the Carnarvon Basin and the Proterozoic Yilgarn Block which lies along the granitic and metamorphic ancient coastline.<br><br>These palaeochannels have incised the underlying Proterozoic-aged granite and metamorphic rocks, which are subsequently filled and submerged by up to 150m of mostly unconsolidated sand and clay of Mesozoic, Tertiary and Quaternary age. The channels sourced from the east enter into a deep north-south trending depression that was probably caused by regional faulting and may be a depression formed at the former Mesozoic-aged coastline. |
| 2-4  | <b>Drill Hole</b>                              | <i>A summary of all information material to the understanding of the</i>                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

| Part | Criteria                                                                | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      | <b>Information</b>                                                      | <p>exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> <li>• Easting and northing of the drill hole collar;</li> <li>• Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill collar;</li> <li>• Dip and azimuth of the hole;</li> <li>• Down hole length and interception depth;</li> <li>• Hole length</li> </ul> <p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract for the understanding of the report, the Competent Person should clearly explain why this is the case.</p> | <p>Refer to table below titled: “BW Extended Area and Yanrey Regional Area - drilling intercepts, location”</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 2-5  | <b>Data Aggregation Methods</b>                                         | <p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>Average reporting intervals are derived from applying a cut-off grade of 150 ppm U<sub>3</sub>O<sub>8</sub> for a minimum thickness of 0.50 m.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|      |                                                                         | <p>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>The length of assay sample intervals varies for all results, therefore a weighted average on a 0.50m composite has been applied when calculating assay grades to take into account the size of each interval.</p> <p>The higher grade intervals quoted in Table 2 are derived by length averaging intervals greater than 0.5 m in width that have assays above 800 ppm eU<sub>3</sub>O<sub>8</sub>; sometimes these higher grade intervals appear inside a lower grade zone defined by the lower 150 ppm cutoff. A maximum internal dilution of 0.5 m was used to aggregate a thin barren zone within bounding higher grade material as long as the grade-thickness of the entire interval was above cutoff (= 150 x 0.5).</p> |
|      |                                                                         | <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>No metal equivalents are used.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 2-6  | <b>Relationship Between Mineralisation Widths and Intercept Lengths</b> | <p>These relationships are particularly important in the reporting of Exploration Results.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>All drilling at Bennet Well is vertical. The recent 3D interpretation and establishment of a mineralisation model has determined that the uranium mineralisation dips very shallowly (no more than 2-3°) to the west at Bennet Well East, yet at Bennet Well Central the mineralisation is observed to follow the contours of the underlying granitic basement.</p> <p>The overall dip of the mineralisation in the Bennet Well Resource Area could be described as sub-horizontal therefore, all</p>                                                                                                                                                                                                                          |

| Part | Criteria                                  | Explanation                                                                                                                                                                                                                                                                                                                                                                                  | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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|      |                                           | <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>                                                                                                                                                                                                                                                                   | <p>mineralisation values could be considered to be true width.</p> <p>The recent 3D interpretation and establishment of a mineralisation model has determined that the uranium mineralisation dips very shallowly (no more than 2-3°) to the west at Bennet Well East, yet at Bennet Well Central the mineralisation is observed to follow the contours of the underlying granitic basement.</p> <p>The overall dip of the mineralisation in the Bennet Well Resource Area could be described as sub-horizontal therefore, all mineralisation values could be considered to be true width.</p> |
|      |                                           | <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>                                                                                                                                                                                                                     | <p>The recent 3D interpretation and establishment of a mineralisation model has determined that the uranium mineralisation dips very shallowly (no more than 2-3°) to the west at Bennet Well East, yet at Bennet Well Central the mineralisation is observed to follow the contours of the underlying granitic basement.</p> <p>The overall dip of the mineralisation in the Bennet Well Resource Area could be described as sub-horizontal therefore, all mineralisation values could be considered to be true width.</p>                                                                    |
| 2-7  | <b>Diagrams</b>                           | <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>                                                                                                                     | Included in this report                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2-8  | <b>Balanced Reporting</b>                 | <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>                                                                                                                                                             | All drill locations are shown in Table 2; intercepts that are greater than 150 ppm for at least 0.5 m in thickness.                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 2-9  | <b>Other Substantive Exploration Data</b> | <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> | <p>Metallurgical sighter testing was completed by the Australian Nuclear Science and Technology Organisation (ANSTO) for the diamond core drilled in 2013, with further testing planned for core drilled in 2014.</p> <p>Geochemical assaying was also completed for the diamond core from both 2013 and 2014.</p> <p>These data however have not been used in the derivation of the Exploration Targets reported here. Sampling information will therefore not be included here as it is deemed irrelevant for the purpose of this report.</p>                                                |

| Part | Criteria     | Explanation                                                                                                                                                                                              | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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|      |              |                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 2-10 | Further Work | <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>                                                            | <p>The core obtained from recent drilling will provide samples for density and profile permeability testing and geochemical assay; with further metallurgical characterisation. The former physical and chemical characterisation testing will be used to cross-check the data collected by the downhole geophysics system, the latter metallurgical testing will expand on the core work completed in 2013.</p> <p>The aims of proposed metallurgical work include: characterisation of the modal mineralogy of mineralisation using QEMSCAN/SEM or similar; quantification of the elemental composition of mineralisation and host sequences; quantify the degree of secular disequilibrium; test for the presence and behaviour of organic material, carbonate material or pyrite that may affect efficiency of leaching; further test the leach performance of mineralisation in acid and in alkali/carbonate media.</p> <p>Further core and mud rotary drilling to improve the Mineral Resource category of the Bennet Well deposit.<br/>Further exploration drilling is required to identify extensions to mineralisation.</p> |
|      |              | <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> | Plans and sections have been included in this report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |