

30 April 2010

## **Cauldron commences 2,000m drilling program at Marree Uranium Project in South Australia**

### **HIGHLIGHTS**

- **2,000m drilling program commences at Marree uranium JV in SA,**
- **Drilling to target high-grade uranium mineralisation, similar to Beverly and Beverly Four Mile,**
- **Exploration fully-funded by a Korean Consortium as part of the Marree JV.**

Australian uranium company, **Cauldron Energy Limited (ASX: CXU)** (“Cauldron” or “the Company”), has commenced a drilling program and has identified a number of target areas at its Marree Uranium JV Project in South Australia.

The drilling will target the southern-east side of the project, Spring Creek, as a region favourable for high-grade uranium mineralisation, similar in style to the world class uranium deposits at Beverly and Beverly Four Mile.

The main target is the Parabarana Sandstone that uncomfortably overlies granites and uraniumiferous source rocks of the Mt Babbage Inlier. The proposed drill holes are on a 2km by 1km spacing and will test approximately 10 km of the Emu Fault Zone, which intersects the host sandstones.

Due to the amount of ground water in this region the Company will utilize mud rotary style drilling, with uranium content to be determined using a down hole gamma probe.

**ABN** 22 102 912 783

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WEST PERTH WA 6005

PO BOX 1916  
West Perth WA 6872

**ASX Code** CXU  
88.70 M ordinary shares  
13.2 M unlisted options

**Market Cap**  
~A\$27 million (@31c)

### **Board of Directors**

Tony Sage  
Executive Chairman

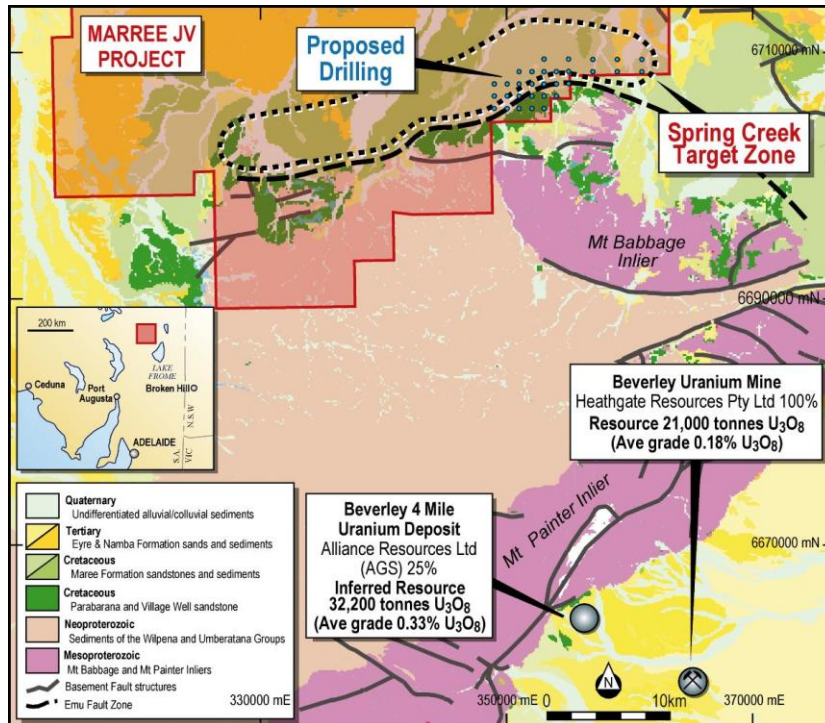
Terry Topping  
Chief Executive Officer

Brett Smith  
Executive Director

Qiu Derong  
Non-executive Director

Kent Hunter  
Non-executive Director

Stephen Brockhurst  
Company Secretary



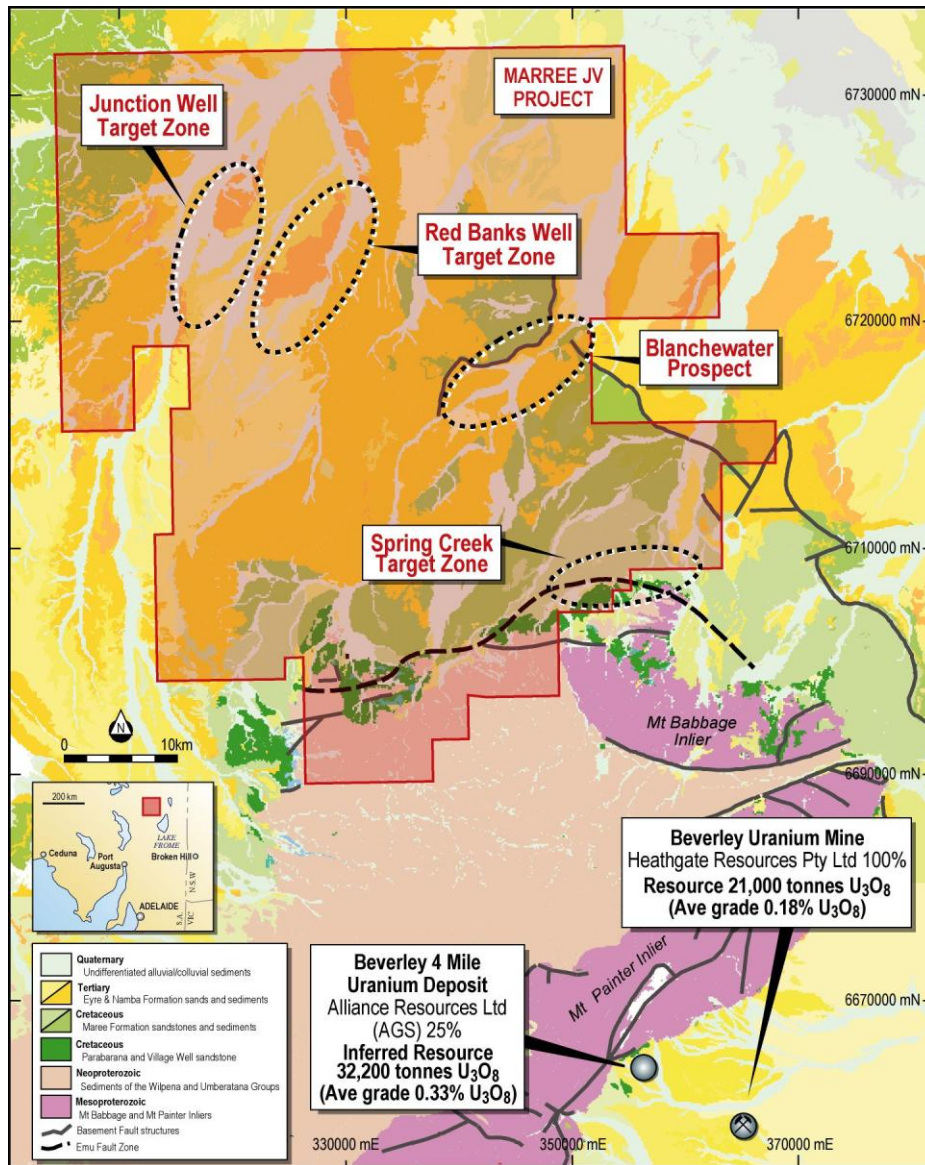
## Marree Uranium Project Background

The Marree uranium project, located 550km north of Adelaide, comprises five Exploration Licences in the Eromanga Basin adjacent to the uranium-rich Mount Babbage Inlier.

The project is fully funded by a joint venture agreement between the company and a Korean consortium involving the Korean Government (KORES), Daewoo International Corporation and LG International Corporation. The Korean participants can earn up to an aggregate 50 percent interest in the Marree Project by funding A\$6.2M over three years.

The project area includes the Tertiary Eyre and Namba Formations, which hosts several sedimentary roll-front uranium occurrences including the Beverley and Honeymoon Well uranium deposits, and the recently discovered high-grade uranium mineralisation at the Beverley Four Mile deposit. Interpretation of drainage patterns and the results of a recently completed airborne radiometric survey indicate uranium is being actively shed into the Marree project area from the adjacent uranium-rich Mount Babbage Inlier and Proterozoic basement.

Exploration drilling completed during the first year of the joint venture identified anomalous uranium mineralisation over 12 km across widths up to 4 km at the Blanchewater prospect. Drilling returned a number of significant results, including 0.60 metres at 180 ppm eU<sub>3</sub>O<sub>8</sub>, up to a peak of 245 ppm in hole MAMR052, along with significant widths (up to 20 m) of anomalous uranium in variably reduced and oxidised lignitic sandstones and clays. This work has highlighted the potential of the Project to be a fertile environment for uranium deposition.



Further drilling programs proposed for the year include follow-up and infill drilling at the Blanchewater prospect, where anomalous uranium mineralisation has been identified within variably oxidized and reduced Eyre Formation. Additional programs are being planned to investigate new target areas in the north-west parts of the project. These targets were outlined from the recently completed airborne radiometric survey. This area is known to be underlain by the target sediments of the Namba and Eyre Formations and provide exciting new target areas for the Marree Project.

End

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

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## **Disclosure Statements**

### **(1) Exploration Targets**

*Under clause 18 of the JORC code the exploration targets (excluding the portion already classified into JORC inferred resource) outlined in this report are conceptual in nature as there has been insufficient exploration to define additional mineral resources; it is uncertain if further exploration will result in the determination of any additional mineral resources.*

### **Competent Person Statement**

*The information in this report to which this statement is attached that relates to Cauldron Energy Limited's Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Brett Smith and Mr Terry Topping who are Members of the Australasian Institute of Mining and Metallurgy. Mr Smith and Mr Topping are full-time employees of Cauldron Energy Limited. Mr Smith and Mr Topping have sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration. They are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Both Mr Smith and Mr Topping consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.*

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

*The calculation of the uranium grades used in the resource estimate are based on information compiled by David Wilson BSc MSc MAusIMM from 3D Exploration Ltd based in Western Australia. These uranium grades form the basis of the resource estimate and have been calculated from the gamma results and from the disequilibrium testing. Mr Wilson has sufficient experience relevant to the style of mineralisation and the deposit type and the activities he is undertaking to qualify as a Competent Person as defined by JORC Code for Reporting of Mineral Resources and Ore Reserves (2004).*

*Information relating to the geological interpretations and data supplied to H&S was compiled by Mark Fogarty BSc MAusIMM from Scimitar Resources Ltd. Mr Fogarty has sufficient experience relevant to the style of mineralisation and the deposit type and the activities he is undertaking to qualify as a Competent Person as defined by JORC Code for Reporting of Mineral Resources and Ore Reserves (2004).*