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Cauldron to drill Argentina plays

South America is proving a fertile hunting ground for Australian exploration companies, especially those on the trail of the region's traditional strengths, gold and copper.

Cauldron Energy Ltd is hoping the region, specifically Argentina, proves just as fertile for a uranium explorer.

The Perth-based company has spent some time after its creation by the merger of Jackson Minerals Ltd and Scimitar Resources Ltd last year in defining those projects it believes will provide it with the best opportunity to add value.

Among the six priority uranium projects it identified were Rio Colorado and Las Marias in north west Argentina.

Cauldron chief executive Terry Topping said that the company viewed Argentina as very fertile ground for exploration and was looking to expand its tenement position there.

"We look at Argentina very much as growth strategy. Jackson, in the two or three years before the merger, spent a lot of time and energy getting to know the people, the ground and the projects," he said.

"We will get on the ground shortly in Las Marias and do our first drilling, but the key for us is the ability to be on the ground, doing the work and adding value by picking up more projects."

The company's priority focus was on Rio Colorado – in which it is earning a 92.5%

stake – which Topping said held "quite a good system of mineralisation, between 500-800 ppm", which was sampled and mined in 1950s and 1960s.

"Our first target area is Rio Colorado, but we have switched focus recently because we have environmental approvals for Las Marias. We got that approval about six weeks ago and we want to get on with getting rigs on the ground.

"There is 7km of outcropping mineralisation at Las Marias. Since the approvals the guys have been out in the field following up on work that was done in the 1960s and '70s

and we are planning our drilling programme right now."

Topping said that Rio Colorado and Las Marias were similar in that they both had a lot of out-cropping mineralisation, one of the main reasons they were mined previously.

What has not been done a lot in the coun-

try is in-depth exploration using modern techniques, something which Topping says could provide Cauldron with an advantage.

"One of the interesting things in South America is that people have just looked at the outcropping mineralisation. In Australia we are looking for the same style of mineralisation, but none of it outcrops here, it is all undercover.

"We have all the techniques to find it undercover so to take the technology and techniques we use here over there and look in completely different areas where people haven't looked before is a big opportunity for us.

"It is a case of using the expertise we have developed in Australia to go to Argentina and do things that people just haven't done there before. It opens up a fair area for us to add value going forward."

Topping said that the Argentinean Government had been very supportive of the company's interest.

Unlike Australia, which has uranium to spare but no nuclear power, Argentina has two reactors, is building a third and has plans for fourth, but has no domestic supply.

– Jason Alexander

