



Aussie explorer continues to develop its domestic and international holdings

By Caroline Smith

A good suite of tenements across Australia and Argentina – combined with an increasing demand for uranium – has put Cauldron Energy Ltd in a prime position ahead of its busy field season.

The junior recently rolled out plans for drilling programs totalling 13,000 metres across all of its projects, with its Western Australian uranium and base metal sites receiving a sustained exploration focus.

Cauldron's key asset Down Under is Yanrey, which sits 85 kilometres south of Onslow in WA's north west and covers 1,930 square km of sandstone-hosted uranium.

In this instance, the junior is chasing an initial resource of 25-35 million pounds of yellowcake at grades ranging from 300-900 parts per million. A new paleochannel was picked up by electromagnetic (EM) testing late last year.

A program of aircore drilling of up to 4,000m will start up at Yanrey during May, with Cauldron seeking to further expand the resource and delineate the new channels. Regional areas have been added to the project through a 70% joint venture with Atomic Resources Ltd.

The junior's exploration schedule will also focus on the Marree project in South Australia, which is being supported through a JV with a Korean consortium.

Strategy outlined

A good portion of 2010's exploration funding, managing director Terry Topping indicated, had come about because of this deal.

"I guess what kept us going last year was our JV at Marree, which gave us \$2 million to spend – we completed drilling there, and we also worked on putting an exploration target together at Yanrey," Topping said.

"On top of the Korean funding, we have a remaining \$10 million to spend on the other project areas – we will spend about 40% of our money in Australia and 29% in Argentina, (while



Drilling at Maree

31% of the company is in the JV."

With Yanrey and Marree both placed close to proven deposits (Paladin Energy Ltd's Manyingee and the Beverley Four Mile JV respectively), Topping suggested that developing these projects will require a look at how others have done it in areas of similar geology.

"We've been working at Yanrey for the last few years, and we're happy to continue exploring further in these tenements, but the Marree project is proving to be phenomenal as far as size and grades go," he said.

"We're looking for a Beverley hallmark style, considering the geology is similar, and we're not far away.

"These projects are focused on developing near existing mines, so it's not just about using what we've got, but leveraging on the back of others."

South America bound

Topping acknowledged that the increasing support for uranium as a viable energy source underpinned part of the junior's confidence in its growing projects, with

its Las Marias and Rio Colorado deposits expected to tap into the strong nuclear power generation industry in Argentina.

"There are two key reasons for countries to get involved in this energy – it lowers their carbon footprint, and it's an investment as a future technology going forward," he said.

"In Argentina, we found there were a few nuclear reactors but no domestic supply, and we've found two good projects – the initial target area of Rio Colorado, and Las Marias, where there's seven miles of outcropping mineralisation."

Las Marias, in the San Juan province, is perhaps the most exciting South American project on Cauldron's books, with surface testing showing grades of between 100-500 ppm.

The junior has recently achieved environmental approvals to explore the site further.



Terry Topping