

## Blackwood Drilling Progressing with Improved Core Recovery

### Highlights

- **Cauldron has successfully resolved the core recovery issues that have plagued its underground drilling at Blackwood over recent months.**
- **Drilling is now progressing well with drill core recoveries of more than 90%, following assistance from specialist drilling technical advisors.**
- **The highly sheared and faulted, narrow-vein nature of the system makes full recovery of the diamond drill core highly critical for establishing proper mineralisation estimates<sup>1</sup>.**
- **Cauldron have spent considerable time testing various drillhole diameters and core recovery systems to maximise sample recovery rates.**
- **Significant improvements are now allowing Cauldron to drill the low strength rock-mass areas within the Eastern Reef system historically shown to host the high-grade discrete ore zones.**

Cauldron Energy Limited (**Cauldron** or the **Company**) (ASX: CXU) is pleased to update the market on its progression of the Phase 2 diamond drill program in the Tyrconnel Adit (or the **Adit**) at its prospective Blackwood Gold Joint Venture Project (**Blackwood**, or the **Project**, **Figure 1**).

Over the past several months, Cauldron has trialled a number of conventional drilling systems from smaller to larger diameter holes in an attempt to improve core recovery at Blackwood.

The initial drill contractor used LTK48 (35mm core) conventional diamond drilling but only achieved recoveries of up to 60%, which risked missing the discrete target ore zones. The current boom in the Victorian gold industry has resulted in difficulties sourcing experienced diamond drill operators, consequently delaying the completion of the planned contract metres. Cauldron has also experienced similar challenges in sourcing personnel and also long lead times on equipment, again delaying drilling operations at the Tyrconnel. Subsequent in-house drilling using the larger diameter LTK60 (45mm core) conventional system, readily available over the 2021 Christmas period, similarly suffered from insufficient core recoveries and hole collapses in the sheared target areas.

The current drill program, which commenced over Easter 2022, utilises a triple tube NQ3 system that has proven successful and provided the required core recoveries from the target areas being drilled. It has involved sourcing experienced pneumatic diamond drillers and modifying the existing Kempe drill rig to fit the larger diameter coring bits and barrel (for an outer hole diameter of 75mm). Again, lingering supply effects from the COVID pandemic have impacted the program which, in addition to personnel availability issues, has prevented continuity of drilling until now.

<sup>1</sup> Refer ASX: CXU Announcement dated 4 March 2022

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### ASX Code

CXU

### Securities on Issue

535,411,277 shares  
10,000,000 Unlisted Options  
(exercise: \$0.03; expiry 16-Sep-22)  
6,000,000 Unlisted Options  
(exercise: \$0.05; expiry 16-Sep-23)  
61,001,898 Options (exercise price:  
\$0.05; expiry 30 Nov 2023)  
24,705,882 Unlisted Options  
(exercise: \$0.034; expiry 15-Mar-24)  
9,000,000 Performance Rights  
(expiring 10 August 2025)

### Board of Directors

Simon Youds  
Executive Chairman

Jess Oram  
Non-executive Director

Qiu Derong  
Non-executive Director

Judy Li  
Non-executive Director

Chenchong Zhou  
Non-executive Director

Michael Fry  
Company Secretary

### Senior Management

Asha Rao  
Exploration Manager

Thanks to the various inputs from external drilling advisors Stephen Poke, E-Drill Australia (Tasmania), and Tony Collins at East West Drilling & Mining Supplies (Victoria), Cauldron have now successfully found the right drilling personnel and the right diamond coring system, returning more than 90% core recoveries. This system is enabling Cauldron to continue operating in a manner that minimises environmental and community impacts for all current and future operations.

Sample recovery is vital in this geological environment because of the narrow-vein style, high-grade but highly faulted and sheared nature of the reefs. Cauldron’s work on the structural setting has shown that there are multiple cross-cutting faults throughout the tightly folded rock sequence in this part of the Blackwood Gold Project. Drilling into such structurally complex areas is often difficult and can miss these narrow targets if the incorrect sample recovery system is used. Achieving more than 90% sample recovery is, therefore, critical to enabling the successful definition of these discrete, narrow, high-grade ore zones as reported historically within the region. The current recoveries now allow the geology team to confidently target these historical high grade zones.

Cauldron’s Executive Chairman, Simon Youds, said, *“Drilling at Blackwood has been challenging and delayed by macro events. However, we are pleased to report that we have now successfully found the right drilling personnel and the right diamond coring system, giving us nearly 100% core recovery in most of the individual runs.*

*This provides us with confidence that the next planned drillholes, targeting areas historically shown to host high grades will obtain the samples required to define the zone being drilled. By understanding the nature of these areas not mined in earlier operations, it may be possible to calibrate non-invasive geophysical techniques to pinpoint similar structural zones across the significant Blackwood tenement package held by Cauldron which was extensively mined in the 1860s.”*

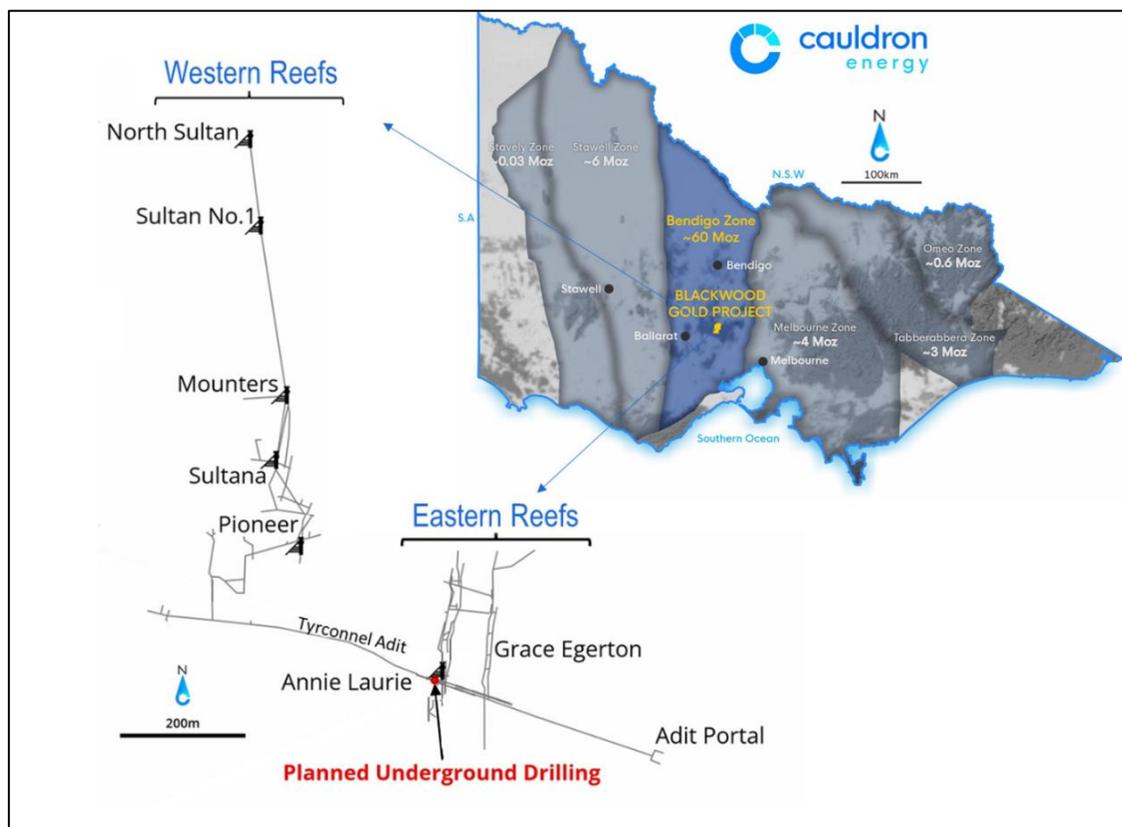


Figure 1: Blackwood Gold Project and Planned Drilling Location Map<sup>2</sup>

<sup>2</sup> Refer ASX:CXU Announcement dated 23 December 2021

The Company looks forward to updating the market as the program progresses.

**END**

Authorised for release by Mr Simon Youds, Executive Chairperson Cauldron Energy Limited

For further information please contact:

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