

## Blackwood Gold Update

### Caldron completes last step towards drilling and underground access

#### Highlights

- **Site Visit to initiate community engagement has now been completed as planned.**
- **The successful completion of yet another step towards accessing the underground tunnel system to sample the numerous historical shafts and reef systems means the external hurdles are completed.**
- **Caldron commitment to net zero carbon is central to its community engagement and operational approach at Blackwood**
- **In order to achieve net zero carbon, Caldron's operational approach will involve narrow extraction made possible by the use of hand-held compressed air drilling equipment which has the ability to be surgical when developing or stoping the target material in the hands of the skilled personnel Caldron envisages employing**
- **The planned operational approach aligns with the style of gold mineralisation at Blackwood and also allows use of the existing access infrastructure**
- **This approach leads to a low capital start up with no process plant and no extensive access development capital usually required underground.**

Caldron Energy Limited (**Caldron** or the **Company**) (ASX: CXU) is pleased to update the market on its recent site visit to initiate community engagement at its Blackwood Gold Project following approval to drill and access extensive the underground tunnel system for sampling the projected extensions of historic shafts and multiple gold reef intersections. The Company's commitment to achieving its net zero carbon emissions target (refer ASX announcement of 11 March 2021) aligns perfectly with a low key local community impact approach and plan to enhance the existing environment. The Company has specifically targeted gold mineralisation which if exploration can prove the expected extensions, will facilitate a high value low capital style of extraction as exhibited by the traditional mining techniques used between the 1860s and 1930s.

The energy efficient - low carbon approach behind all of Caldron's projects but specifically the Blackwood Gold Project incorporate carbon reduction into the early planning to develop systems for little cost to reduce the carbon footprint of its operations, both during the exploration phase and any potential production phase.

#### ABN

22 102 912 783

#### Address

Unit 47,  
Level 1  
1008 Wellington Street  
WEST PERTH WA 6005

PO BOX 1024  
West Leederville WA 6007

#### ASX Code

CXU

#### Securities on Issue

451,999,512 shares  
6,833,395 Options (exercise price: \$0.03; expiry 31 Dec 2021)  
16,666,666 Options (exercise price: \$0.03; expiry 31 Mar 2022)  
10,000,000 Unlisted Options (exercise: \$0.03; expiry 16-Sep-22)  
6,000,000 Unlisted Options (exercise: \$0.05; expiry 16-Sep-23)  
45,354,839 Options (exercise price: \$0.05; expiry 30 Nov 2023)  
9,000,000 Performance Rights (expiring 10 August 2025)

#### Board of Directors

Simon Youds  
Non-Executive Chairman

Jess Oram  
Executive Director & Chief Executive Officer

Qiu Derong  
Non-executive Director

Judy Li  
Non-executive Director

Chenchong Zhou  
Non-executive Director

Michael Fry  
Company Secretary

The initiation of community engagement for the recent underground approvals is a key step to access the extensive historical underground workings. These activities are purely exploratory in nature, but being able to map and take samples from these workings will guide our geology team in future exploration programs, which may involve the taking of larger samples. The ability to take a larger sample than can be done by a diamond drill core is a notable statistical advantage in intended future mineralisation assessments to define gold content. Larger bulk samples provide a substantial improvement in confidence over the assessment of how the material will react under various processing regimes. The ability to demonstrate in practice can significantly improve the confidence for a remote gold process plant in accepting material that potentially may be identified and extracted in the future.

As previously advised (refer ASX announcement of 30 March 2021) the Company proposes to utilise the traditional mining methods should its exploration efforts prove up viable mineralisation. This approach requires the older underground mining skills and lower impact hand-held equipment both of which are disappearing from the Australian mining industry due the focus on economies of scale of the larger diesel decline mines. Potentially these mining styles can, once again take their place as a part of this high growth section of the Victorian State Economy. There is an opportunity to enhance the local tourism attractions as other traditional small scale working mines have done elsewhere.

#### **Victorian Gold Projects – minimise carbon footprint and maximise grade**

The nature of Victorian goldfields is for narrow high grade vein type bonanza finds. Large scale mining is typically not sufficiently selective to make the best economic advantage of this nuggety type 'golden bounty'. By minimising openings and using individual miners close of the face it allows the miners and geologists to be selective in assigning which rock is taken as ore and waste. This allows greater control of dilution with waste at the point of breakage meaning a maximisation of the grade by minimising the non-paying waste entering the ore stream. Managing this with large diesel equipment like face drilling hydraulic rock drills or Jumbos and the large diameter underground blasthole drill rigs used in the larger underground mines has proved an economic challenge for many narrow vein gold mines.

#### **Reviving traditional skills enhance environmental outcomes**

The proliferation of high efficient rock breaking and moving equipment has meant the demise of the highly skilled older traditional mining techniques. These skills are still available but usually in the older mining personnel. The clean and environmentally friendly nature of this mining is appealing to those in the industry who started with this mining system. Its Cauldron's hope that in a small way we can retain these skills by passing them on as its our belief they will always be in demand for this style of mining.

The overriding benefit to the operation of not requiring large capital input for both a process plant and underground access infrastructure means the operation is not burdened with debt from the outset allowing the initial funds to immediately flow back to the Company. The use of remote processing facilitated by the higher grades means no local tailings or use of process chemical in the pristine environment found in Blackwood. The direct access to the geology underground allows Cauldron's geologists large rock exposures with which to improve their understanding and the potential to improve confidence on the gold distribution with the use of sufficiently sized bulk samples.

Cauldron CEO, Jess Oram said, "*the synergies of minimising the volume of underground extraction align with the triple benefits of, a low carbon footprint, maximising grade providing low unit cost of transport and of downstream processing and minimal environmental impact for the Community and Environment... delivering both economic and environmental outcomes; local and holistic... and positions the company perfectly for complementary market expectations*".

**END**

Authorised for release by Mr Jess Oram, Executive Director and Chief Executive Officer.

For further information please contact:

Jess Oram  
Chief Executive Officer  
Cauldron Energy Limited  
T: (08) 6270 4693  
M: +61 448 110 009  
jess.oram@cauldronenergy.com.au

Michael Fry  
Company Secretary  
Cauldron Energy Limited  
T: (08) 6260 4693  
M: +61 417 996 454  
michael.fry@cauldronenergy.com.au

### Competent Person Statements

The information in this report that relates to exploration results for the Blackwood Gold Project is based on information compiled by Mr Jess Oram, Executive Director of Cauldron Energy Limited. Mr Oram is a Member of the Australasian Institute of Geoscientists.

Mr Oram has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Oram consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

### Forward Looking Statements

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

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