

Cauldron Energy Ltd

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Cauldron Energy expands uranium potential at Bennet Well

Cauldron Energy (ASX:CXU) is set to expand resources and drilling plans at its Bennet Well uranium project in Western Australia after identifying mineralisation adjacent to a neighbouring 25-million-pound uranium project.

The channel, now called Manyingee South, defined mineralisation that appeared to have many similarities to Paladin Energy's (ASX:PDN) adjacent Manyingee channel, which boasts grades nearing 1,000 ppm uranium oxide.

Assays from the first 2 mud rotary holes at Manyingee South exceeded expectations of thickness and grade, with 0.75 metres at 288.91 ppm U3O8 from 53 metres and 0.45 metres at 235.80 ppm U3O8 from 53.4 metres.

The drilling was part of an extensional program at Bennet Well regional targets aimed at establishing a resource of 19-54 tonnes of mineralisation at a grade of 300-420 ppm U3O8 for a contained 18-53 million pounds of U3O8.

The exploration target for the eight contiguous areas adjacent to the Bennet Well resource is 5-25 million tonnes of mineralisation at a grade of 205-360 ppm U3O8 containing 4-23 million pounds of U3O8.

The Bennet Well deposit holds 36.1 million tonnes of resources at 270 ppm U3O8 for a total contained content of 21.5 million pounds of U3O8.

Within Manyingee South, the exploration target is between 2.1 to 9.1 million tonnes at 270 ppm U3O8 for between 0.9 and 7.7 million pounds of contained uranium oxide.

Interestingly, the geological setting at Manyingee South is considered distinctly different to that of Bennet Well, where mineralisation is situated beneath highly glauconitic, clay-rich, marine sands and silts called the greensand.

Instead, the latest drilling at Manyingee South indicated the geology had similarities to that of Paladin's Manyingee deposit, with associations between uranium mineralisation and a redox boundary between strongly oxidised and strongly reduced sediments.

Known deposits in the region also include Paladin's Carley Bore property, which contains 15.6 million pounds of uranium.

The broader area is prospective for sandstone-style uranium mineralisation capable of extraction by in-situ recovery (ISR) mining technique, which is roundly considered the most economic and efficient means of uranium production.

Recent successes

Price: A\$0.02

Market Cap: A\$6.59M

1 Year Share Price Graph



Share Information

Code: CXU

Listing: ASX

52 week High Low
A\$0.05 A\$0.01

Sector: Mining

Website: www.cauldronenergy.com.au

Company Synopsis:

Cauldron Energy Ltd (ASX:CXU) has a suite of uranium projects in Australia and Argentina.

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The expansion push that led to the discovery at Manyingee South followed a drilling campaign at the Bennet Well Channel that exceeded Cauldron's maximum target exploration range with exceptional results in thickness and grade.

Rotary drillholes from Bennet Well Channel returned 4.15 metres at 529 parts per million uranium oxide from 88.9 metres, 3.05 metres at 397 ppm U₃O₈ from 72.4 metres and 1.9 metres at 480 ppm U₃O₈ from 70.1 metres.

The delivery of extensions to strike length and grade increased the exploration target at Bennet Well Channel five-fold to a range of between 1.6 million tonnes and 8.6 million tonnes mass of mineralisation at 470 ppm U₃O₈ for a contained uranium oxide content of between 1.6 and 8.9 million pounds.

Bennet Well Channel is a linear zone of mineralisation proximal to the Bennet Well resource extending to the southeast for at least 3.2 km and about 500 m wide.

Earlier this year, Cauldron also received \$2 million in placement funds for Bennet Well from director and major long-term Chinese shareholder Derong Qiu.

This underlined shareholder confidence in the company as demand for nuclear power increases in China. China's electricity demand is growing at an average annual rate of 10%.

Analysis

The latest drilling offers significant upside to Bennet Well by demonstrating the high level of uranium mineralisation in the broader region and the geological interplay between nearby deposits.

Manyingee South is only 4.5 kilometres from Paladin's Manyingee, which itself is considered to have scope for a resource increase.

The discovery also bodes well for upcoming extensional drilling in the area, which could represent price triggers for Cauldron stock, improving shareholder value and allowing for a substantial increase to Bennet Well's global resource.

Historical drilling suggests that mineralisation grade might increase progressively northwards, leading to the expectation of positive results from a third drillhole planned for this month.

Anomalous uranium in surrounding historical holes, coupled with coincident conductive EM bodies, all suggest a possible northerly-orientated channel feature that may be mineralised.

Success at Manyingee South also demonstrates the effectiveness of Cauldron's exploration model whereby the use of non-invasive, low-cost geophysics represents an opportunity to bring key intellectual property to the exploration team and an advantage versus other uranium developers.

Cauldron is in the process of growing Bennet Well's intrinsic value by expanding the resource and understanding the geochemistry for ISR mining.

Bennet Well is predicted to operate at a production price of US\$13 per pound of uranium, which would make it economic even at the current uranium price range around US\$35 per pound.

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