ASX Announcement

24 March 2014

INDEPENDENT STUDIES HIGHLIGHT IMPROVEMENT IN BENNET WELL URANIUM GRADES LEADING TO RESOURCE INCREASE

HIGHLIGHTS

- **Metallurgical studies on Bennet Well diamond core show potential for a significant increase to the uranium oxide grades, leading to a significant increase in the combined resource of 15.7 million pounds of uranium oxide**
- **A revised resource estimate for Bennet Well is due to be complete in May 2014 (ASX Announcement 31 January 2014)**
- **An independent audit of gamma probe calibrations has also been completed to update all uranium oxide grades based on the new data**

Australian resources company Cauldron Energy Limited (**ASX: CXU**) ("Cauldron" or "the Company") wishes to inform the market regarding the implications of the recently completed metallurgical studies on the Bennet Well diamond core.

Preliminary independent assessment has shown that due to the high porosities identified within mineralised zones, a moisture correction factor of 1.33 to 1.61 is required on all existing Cauldron drill holes. This indicates that there will be a significant increase in the Bennet Well Resource size when the planned resource update is completed (See Figures 1 and 2).

Recent diamond core assays have shown that there was significantly higher uranium oxide grades identified in core assays than what was identified on deconvolved down-hole gamma probe data. Assays were on average 20% to 25% higher than deconvolved gamma probe data (See ASX:CXU Announcement dated 20 February 2014).

The recent results from the direct physical testwork completed by CoreLabs has provided evidence that further correction factors are required on down-hole gamma probe data when the deconvolution is completed. The work by CoreLabs has been to provide permeability, porosity and density data on the Bennet Well diamond core. This testing has confirmed expected high porosity ranges within the mineralized zone of 31% to 43% indicating that a moisture content correction factor is required.

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178,062,092 shares
7,300,000 unlisted options

Uranium Specialist Mr David Wilson from 3D Exploration Pty Ltd has completed an independent assessment on the metallurgical data provided by CoreLabs. The findings from Mr Wilson indicate that due to the high porosities in the mineralised zones seen in the diamond core samples that a significant correction factor for moisture content needs to be applied to all Cauldron drill holes completed to date. The preliminary size of the correction factor ranges from 1.33 to 1.61 depending on the actual porosity values of individual zones.

Mr Wilson commented: ”It is generally assumed when measuring total gamma radiation in drill holes that the sediments being measured are similar in density and water content to the sediments (concrete) used to construct the pits within which the total gamma probes are calibrated. This is usually a reasonable assumption. Density and water content are usually unknown until resource calculations are performed.

“The mineralised sediments at Yanrey contain more water than the concrete used in the construction of the Adelaide Calibration Pits. Hence the total gamma measurements will indicate an apparent lower dry weight grade of mineralisation than actually exists.

“The Adelaide pits contain an average of 8% moisture. Limited measurements at Yanrey indicate variable (31% – 43%) porosity in the poorly cemented sands. It is assumed that the open spaces (porosity) are completely filled with water. This is reasonable considering the general lack of clay or carbonate cement and the free flowing nature of the sands when drilled.”

Cauldron is continuing to work with Mr Wilson in applying the required correction factors to all drill holes completed by Cauldron since drilling commenced in 2006. The deconvolved uranium oxide grades for each drill hole will be re-calculated and this data will be used in the planned resource update to be completed by mining consultants Ravensgate when the data is finalized.

Based on the work completed by Mr Wilson, Cauldron is expecting a significant upgrade in the resource size for Bennet Well once Ravensgate has completed the revised resource estimate. Cauldron cannot comment at this stage what the increase in the resource size will be until this work is finalized and Ravensgate have completed the revised resource estimate.

Mr Wilson has also completed an independent audit of all calibration data collected by Cauldron to date and has updated the calibration factors used at the Adelaide calibration test pits. In August 2013 after extensive studies, new calibration grades were finalized for uranium oxide values in the test pits. This work has eventuated in a general lowering of uranium oxide values of up to 9%. Lower grade uranium oxide values are most affected and higher grade samples over 5000 ppm actually have an increase in uranium oxide values. This corrected calibration data will be used in the upcoming revised resource estimate work. Even with the lowering of uranium oxide grades due to the re-calibrations of the test pits, there is still a significant overall positive correction factor that needs to be applied to all drill holes completed to date.

End.

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Competent Person Statements

The calculation of the correction factors mentioned in this release is based on information compiled by Mr David Wilson BSc MSc MAusIMM from 3D Exploration Ltd based in Western Australia. These uranium grades form the basis of the resource estimate and have been calculated from the gamma results and from the disequilibrium testing. Mr Wilson is a consultant to Cauldron and has sufficient experience relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Wilson consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.

The information in this announcement to which this statement is attached that relates to Cauldron Energy Limited's Yanrey Project is based on information compiled by Mr Mark Couzens who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Couzens is a full-time employee at Cauldron Energy Limited in the role of Exploration Manager and has sufficient experience relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Couzens consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.

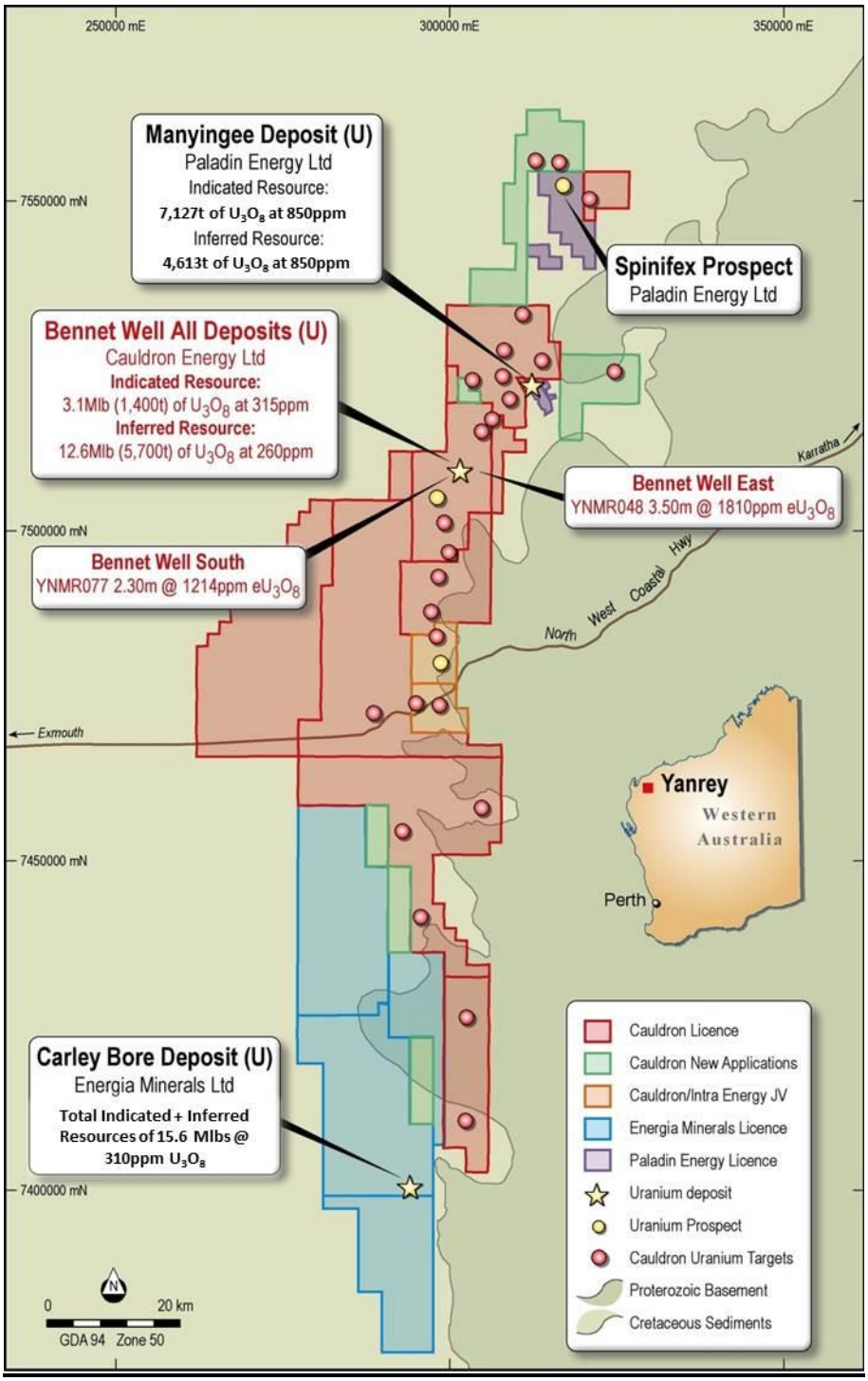

Figure 1 - *Yanrey Project and Prospect Location Plan*

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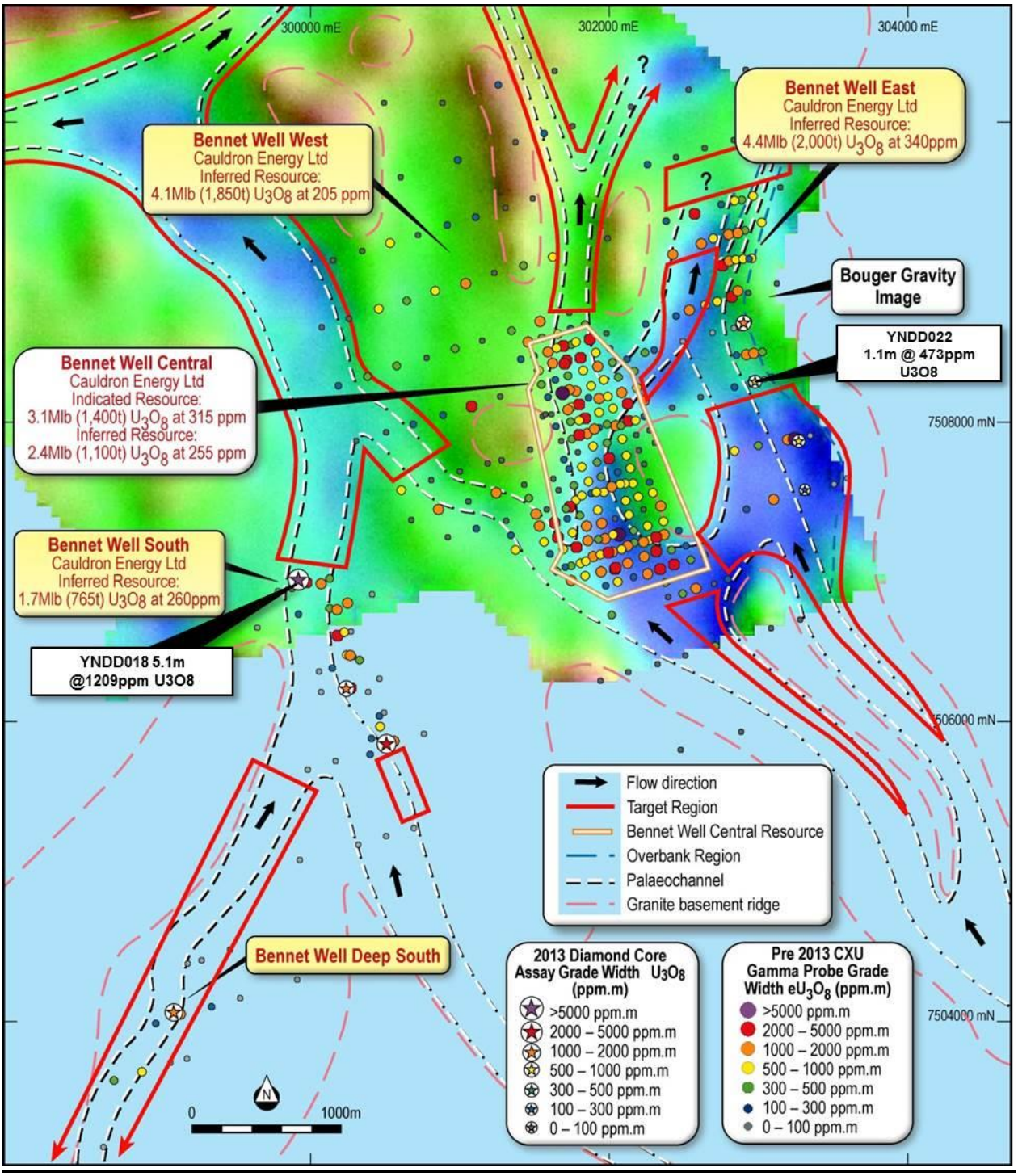

Figure 2 - *Bennet Well prospect location map from part of E08/1493 showing the location and assay grade widths of the recently completed core drill holes and pre 2013 drill holes at the Bennet Well resources. In the background is a Bouguer Gravity image shown with the palaeochannel interpretation.*

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples*	• The Bennet Well region 2013 Diamond Core drilling program utilised two sampling techniques, down-hole geophysical gamma logging and geochemical assaying. • All relevant "Nature and Quality of Sampling" information pertaining to the 2013 Bennet Well Diamond Core Drill Program, has already been reported in the ASX announcement released on 31 January 2014. • 8 x diamond drill hole core samples were submitted to Core Laboratories Australia, (of the global company Core Lab Reservoir Optimisation), based in Perth, Western Australia, for geotechnical analyses comprising profile permeability, porosity, and grain and bulk density testwork (a process known as, and referred to herein as, "PdpK" testing. • 30 samples were taken and trimmed from selected intervals within the mineralised zones of the 8 drill holes. Each sample was oven-dried in a convection oven for 24 hours at a temperature of 95°C. The samples were then cooled in a dessicator prior to analysis. • Core samples from drill holes YNDD018 and YNDD022 that were submitted to the Australian Nuclear Science and Testing Organisation (ANSTO) in Sydney for various geochemical and metallurgical testwork (see ASX Announcement released on 20 February 2014), were also subjected to bottle roll leach analyses. Using the same homogenous, riffled, pulverized sample prepared for the aforementioned analyses, the bottle roll tests were conducted in small agitator vessels, with no additional oxidant used, over a period of 4 days. The Leach Liquor Matrix comprised local Sydney tap water.

Criteria	JORC Code explanation	Commentary
	from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• 8 x vertical diamond core holes were drilled. Each hole had a mud rotary pre-collar and a HQ diameter diamond tail. • A total of 356 metres of mud rotary pre-collar was drilled with a total 257 metres of HQ diamond core tails. • The mud rotary pre-collar was drilled using a 120.6 millimetre pitch circle diameter drill bit. In instances where hard zones were encountered, the pre-collar was drilled using a PQ core barrel. • The target zone was cored using a 1.5 metre long HQ standard chrome core barrel.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The core is checked every run for accuracy on drilling blocks and identifying where in a core run the core loss is likely to have come from. • By locating all zones of core loss, a total sample recovery for the entire hole can then be determined. • For this program the total core recovery was 93.6% with one hole returning 100% recovery. • The core run lengths varied depending on proximity to the target zone to maximize the core return. • Run lengths were 1.0 metre to 1.5 metre above and below the specified uranium target zone and 0.5 metre within the specified uranium target zone to assist in core recovery since the sediments were mostly unconsolidated. • To date, Cauldron has not identified any relationship between sample recovery and grade from the core drilling program.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All core and pre-collar chip samples were geologically logged on site. • Detailed information on all geological/geotechnical Logging is as per the ASX Announcement released on 31 January 2014.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• All core was cut in half on site using a handheld angle grinder and chisels since the core was mostly unconsolidated sediments. More consolidated core was cut at Core Labs in Perth using a diamond saw. • After sampling was conducted for the purpose of geochemical assaying, the surfaces of the remaining half-core intervals were cleaned and smoothened by the use of very small, thin razor blades and thin brushes (for the removal of the resulting dust and debris). This procedure is part of the “slabbing” procedure routinely conducted by Core Labs. Once the core was sufficiently cleaned, profile permeability measurements could be adequately taken. • None of the mud rotary chip samples were collected for geochemical assay. • Due to the flat-lying nature of the unconsolidated sediments no orientation lines were done on the core. • When the core was cut on site, the site geologist cut the core to ensure that nugget type

Criteria	JORC Code explanation	Commentary
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	features such as wood fragments and pyrite nodules were present in both the original and duplicate samples. • Individual sample intervals in the mineralised zone were generally 0.15 metre lengths but samples were made larger or smaller so that no lithology or reduction/oxidation (redox) zones were crossed.
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*	• Sample location was dependent on the condition of the drill core within all 8 x holes submitted to Core Labs. The poor condition of the drill core meant that the sample selection process had to be continuously modified immediately prior to the sample preparation/analysis phase. This, in turn, had to be done in order to ensure that as many samples as possible were taken to result in a dataset that best represented not only the ore zone in each drill hole, but also the barren zones surrounding the mineralisation.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The profile permeability measurements were taken every 15 centimetres, where possible, along the cut face of the remaining one-half core section, throughout each of the 8 x drill core holes. The grain size of the sampled material is therefore not relevant to the selection of sample points for this type of analysis. • The samples selected for the porosity/grain and bulk density testwork were trimmed, dried and cooled (see “Sampling Techniques” section) according to standard Core Lab sampling procedures. Material grain size is also irrelevant to the selection of samples for these testworks.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• The PdpK technique is a well-used procedure throughout the Oil and Gas Industry and is widely used by Core Labs for many Petroleum companies throughout the world. As such, this analytical method is usually considered to result in a very accurate, representative and precise data set. • However, given the highly unconsolidated nature, and often deteriorated condition, of the Bennet Well drill holes, the PdpK data obtained for the 8 x core holes submitted to Core Labs, Perth, is considered to have given a more indicative dataset rather than a true representation of the permeability, porosity and density of the host lithologies in the ground

Criteria	JORC Code explanation	Commentary
		at Bennet Well.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• Profile permeability was measured on the cut face of the remaining one-half core section of each of the 8 x core holes using the PdpK ™ 300 Profile Permeameter. Measurements were made approximately every 15 centimetres, where possible, along the core. A total of only 514 point measurements were made as the core in each hole was in a poor condition, friable and broken up. • Samples selected for porosity, grain and bulk density measurement were first weighed and then processed through the Ultrapore ™ 400 Porosimeter to first determine Grain Volume, using a combination of Helium gas and calculations involving Boyle's Law. A calibration check plug was run after every 5th sample. Grain density data was subsequently calculated from the grain volume and sample weight results. • Bulk volume data for each of the samples were obtained by the use of Mercury displacement (using a Volumetric Displacement Pump) and Grain Volume data. Dry bulk density data was subsequently calculated using these resulting bulk volumes and the sample weights. • The porosity of each sample was finally calculated from the same dataset using the bulk volume results and the grain volume data obtained at the beginning of the process.
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Core Labs, Perth, performed their own in-house calibration checks (such as running the calibration check plugs every 5th sample on the Ultrapore 400 Porosimeter) and re-running samples through the respective machines, as part of their quality control procedures.
Verification of sampling and	• *The verification of significant intersections by either independent or alternative company personnel.*	• All results from the PdpK analyses are checked by senior Cauldron employees and consultants who have adequate experience with testing on unconsolidated sediments..

Criteria	JORC Code explanation	Commentary
assaying	• *The use of twinned holes.*	• The 8 x core holes completed in this drilling program were a mix of twinned holes and new exploration holes in geologically and mineralogically significant areas. The twinned holes ranged from 2 metre to 5 metre from existing holes due to access issues.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Preliminary and final PdpK data are stored as '.csv' files on the Cauldron server for future reference. All data is verified by senior personnel and then entered into an in-house SQL database by a designated database consultant who manages all data entry. All data is saved as electronic copies with server backups completed.
		• Profile permeability data is reported in units of milli Darcies or Darcies.
	• *Discuss any adjustment to assay data.*	• The calculations used to obtain the grain, bulk and porosity data, and the respective reported units given to each data set, are as follows:
		• Grain density and volume: **GD = W1/GV** where: **GD** = Grain Density (grams per cubic centimeter – g/cc) **W1** = Weight of sample (grams - g) **GV** = Grain Volume (cubic centimetres – cc)
		• Porosity: **Ø = ((BV-GV)/BV) x 100** where: **Ø** = Porosity (percent - %) **BV** = Bulk Volume (cubic centimetres – cc) **GV** = Grain Volume (cubic centimetres – cc)
		• Bulk Density: **BD = W1/BV** where: **BD** = Bulk Density (grams per cubic centimeter – g/cc) **W1** = Weight of sample (grams – g) **BV** = Bulk Volume (cubic centimetres – cc)

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The survey method used for this drilling program was a differential global positioning system. No down-hole surveys were completed since all holes were drilled vertically and the relatively shallow hole depths drilled would be unlikely to have any significant down-hole deviation. • The grid system used at the Yanrey Project is MGA_GDA94, Zone 50. All data is recorded using Eastings and Northings. • The primary topographic control is from Shuttle Radar Topographic Mission. This data is adequate given the flat-lying nature of sediments at the Yanrey Project.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The spacing of the core holes was between 350 metre and 800 metre within individual prospects. • The core holes were drilled for numerous reasons, including et al confirmation of uranium grades, assisting with geological interpretation, providing density and porosity data for resource work and identifying how well the uranium leaches from the sediments. As such, the spacing of core hole locations was adequate for this type of work. • No compositing was conducted for the PdpK testwork undertaken at Core Labs, Perth.
Orientation of data in relation to geological	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• All drill holes were drilled vertically since the sediments are mostly unconsolidated and generally flat-lying. All holes are therefore considered to be representing true width of the uranium mineralisation.

Criteria	JORC Code explanation	Commentary
structure	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• There is no apparent sampling bias created from the orientation of the drill holes.
Sample security	• *The measures taken to ensure sample security.*	• Information regarding the transportation of core samples from site to the respective laboratories is as detailed in the recent ASX Announcement released on 20 February 2014.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• In conjunction with Cauldron's Competent Person, a full audit of the drill data set has commenced by independent uranium specialist, Mr David Wilson from 3D Exploration Pty Ltd to review the deconvolution process of down-hole gamma data. • The audit has shown that due to the high porosity of sediments within the mineralized zones as seen in the metallurgical work completed by CoreLabs, there needs to be a moisture correction applied to all Cauldron drill holes. This work is currently ongoing. • Part of the audit process has been to re-check all calibration data collected to date. In August 2013 after extensive studies the new calibration grades were finalized for uranium oxide values in the test pits. This work has eventuated in a general lowering of uranium oxide values of up to 9%. Lower grade uranium oxide values are most affected and higher grade samples over 5000 ppm actually have an increase in uranium oxide values. This corrected calibration data will be used in the upcoming revised resource estimate work. • Cauldron's Competent Person has verified that all sampling techniques and data collection is of high standard.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The location of the drilling program was completely on E08/1493 which is 100% owned by Cauldron. Cauldron has a Native Title Agreement with the Thalanyji Traditional Owners which cover 100% of this tenement. The tenement is located entirely on the pastoral lease of Yanrey Station. • This tenement is in good standing and there are no known impediments for exploration on this tenement to Cauldron's knowledge.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• A 70 kilometre long regional redox front and several palaeochannels were identified by open hole drilling by CRA Exploration Pty Ltd (CRAE) during the 1970s and early 1980s. CRAE drilled over 200 holes in the greater Yanrey Project area, resulting in the discovery of the Manyingee Deposit and the identification of uranium mineralisation in the Bennet Well channel and the Spinifex channel. Uranium mineralisation was also identified in the Ballards and Barradale Prospects.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Yanrey Project area covers the contact between the Cretaceous aged marine sediments of the Carnarvon Basin and the Proterozoic Yilgarn Block, which lies along the granitic and metamorphic ancient coastline. At least 15 major palaeochannels, sourced from the granite and uranium rich areas of the Gascoyne Province, east of the ancient coastline, have been identified within the Yanrey Project. The channels are Cretaceous in age and are almost completely filled by Cretaceous sediments with a relatively thin Tertiary and Quaternary cover on top. • The bases of these channels are eroded into the underlying Proterozoic-aged granite and metamorphic basement. The channels sourced from the east enter into a deep north to south trending depression that was probably caused by regional faulting and may represent an ancient coastline depression.

Criteria	JORC Code explanation	Commentary
		• The uranium mineralisation of the Yanrey project is sourced from uranium rich granites that, due to erosion, shed detrital uranium locally into palaeochannels. Over time, the amount of uranium from such erosional episodes can reach economic levels. • The style of uranium mineralisation at the Yanrey Project is a mix of roll-front style deposits to more tabular-style uranium orebodies.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Drill Hole Information previously reported on the ASX on 31Jan 2014

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be*	• The measurement of profile permeability, porosity, grain and bulk density data does not require the use of weighted averages or report grade values. • All calculations used in the PdpK analyses and all reported units have been described in the “Verification of Sampling and Assaying” section.

Criteria	JORC Code explanation	Commentary
	stated.	
	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• No aggregation of sample intervals or intercepts was required or employed in the PdpK procedure.
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No metal equivalents were required or used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The mineralisation reported in this release is sub-horizontal and all drilling is near-vertical so all mineralisation values reported can be considered as true widths.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole*	• Drill Hole Information previously reported on the ASX on 31Jan 2014

Criteria	JORC Code explanation	Commentary
	collar locations and appropriate sectional views.	
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Drill Hole Information previously reported on the ASX on 31Jan 2014
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The test work scope included the measurement of profile permeability froma total of 514 sample points and 30 sample plugs for the measurement of porosity, grain and bulk densities in order to facilitate the audit and upgrade of the existing drill data as part of the ongoing new resource estimation for the Bennet Well Resource Area. • Profile permeability measurements were taken from sample points spaced every 15 centimetres, where possible, along the cut surface of the remaining one-half core, using the PdpK ™ 300 Profile Permeameter. • Porosity, grain and bulk density data were determined using a combination of calculations (e.g. Boyle's Law) and sample weights obtained from the use of the Ultrapore ™ 400 Porosimeter, as described in the "Verification of Sampling and Assaying" section. • Results for this PdpK test work form the substantive aspects of this announcement.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The PdpK test results provide further quantitative support to the recently announced leach extraction text results (released to the market on 20 February 2014). • Profile permeability and porosity data from each core hole illustrated that the host sand units containing the uranium mineralisation are sufficiently permeable and porous to allow the passage of sufficient amounts of leaching liquor – as has already been proven by the excellent extraction results received from testwork conducted at the Australian Nuclear Science and Technology Organisation (ANSTO), New South Wales (see ASX Announcement released 20 February 2014). • The Bennet Well East and Bennet Well South deposits are open along strike in both north and south directions. The priority for future work is to define the full extent of these resources. The location of potential extensions is shown in the plan view diagrams released on the ASX on 31Jan 2014

Criteria	JORC Code explanation	Commentary
		• The aim in upcoming work will be to get all uranium identified into an Indicated Resource where possible. Infill drilling will be required in certain areas in future drill programs to increase confidence in grades between drill holes so that resources identified can be classified as Indicated. • More core drilling will also be completed to assist in resource calculation, provide samples for further metallurgical and leaching testwork, improve geological understanding and provide data for future planned scoping studies.