

## Cauldron to spin out Northern Territory uranium assets into Eclipse Uranium IPO

### Key Points:

- **Cauldron Energy agrees to divest non-core Northern Territory uranium assets into Eclipse Uranium Ltd, via a Deed of Option,**
- **Under terms of Deed of Option, Eclipse Uranium has option to acquire four (4) granted Exploration Licences and five (5) Exploration Licence applications currently held by Cauldron Energy,**
- **Eclipse Uranium also looking to acquire Northern Territory assets currently held by Dourado Resources Limited,**
- **Option period expires on 30 June 2010,**
- **Under terms of the Option Cauldron to be issued 25,000,000 shares in Eclipse upon exercise by Eclipse and therefore will hold between 29% and 33% of Eclipse at time of listing (depending on amount raised via IPO),**
- **Cauldron to have strong representation (at least two members) on Eclipse board, and**
- **Following divestment of Northern Territory assets, Cauldron will focus its exploration activities on its key assets in Australia and Argentina.**

Australian uranium exploration and development company Cauldron Energy Limited (**ASX: CXU**) ("Cauldron" or "the Company") plans to divest its non-core uranium assets held in the Northern Territory of Australia, via a spin-out into a new Initial Public Offering Eclipse Uranium Limited ("Eclipse").

Cauldron and Eclipse have signed a Deed of Option which grants Eclipse an option to acquire four (4) granted Exploration Licenses and five (5) Exploration License applications currently held by Cauldron Energy in the Northern Territory.

The key project within this portfolio is the Eclipse Project, which consists of three (3) granted Exploration Licenses and three (3) Exploration License applications covering 5,438 km<sup>2</sup> of the Ngalia Basin, prospective for sandstone and calcrete hosted uranium mineralisation.

The option period expires on 30 June 2010 after which time if the Option is not exercised it will lapse.

Settlement of the acquisition of Cauldron's tenements by Eclipse is subject to Eclipse being granted permission to list its securities on ASX.

Once the Option is exercised by Eclipse and the conditions under the agreement are met, including being accepted to the official list of ASX, Cauldron will be issued 25,000,000 shares in Eclipse and therefore will hold between 29% and 33% of Eclipse at time of listing (depending on amount raised via IPO).

ABN 22 102 912 783

35 Richardson Street  
WEST PERTH WA 6005

PO BOX 1916  
West Perth WA 6872

ASX Code CXU  
89 M ordinary shares  
11.7 M unlisted options

Market Cap  
A\$31 million (@35c)

Tony Sage  
Executive Chairman

Terry Topping  
Chief Executive Officer

Brett Smith  
Executive Director

Qiu Derong  
Non-executive Director

Kent Hunter  
Non-executive Director

Stephen Brockhurst  
Company Secretary

Anticipating the successful listing of Eclipse on ASX, Cauldron has two positions on the board of Eclipse, a representation that will be proportional to its proposed shareholding, and where appropriate Cauldron will also provide Eclipse with technical and corporate support.

Mr. Tony Sage, Cauldron Energy Limited's Executive Chairman, believes the successful divestment of its non-core assets will allow the Company to focus its resources (both financial and technical) on its key assets in Australia and Argentina.

"As the projects in our portfolio continue to advance, it is important that we ensure our money and time is committed to the projects we believe will have the best chance of returning value to the Company and its shareholders," Mr. Sage said.

"By divesting these assets into Eclipse, Cauldron will be able to focus its energies towards our key Australian and Argentinean assets, while retaining a significant exposure to a company that will be solely focused on the development of an exciting suite of uranium assets in the Northern Territory."

In addition to the Cauldron agreement Eclipse has also entered into a Deed of Option with ASX listed company Dourado Resources Limited (ASX: DUO) ("Dourado") to acquire its Northern Territory assets, including those subject to the agreement with North Minerals Pty Ltd (See Dourado ASX announcement dated 3 March 2010).

**End**

For further information, visit [www.cauldronenergy.com.au](http://www.cauldronenergy.com.au) or contact:

**Terry Topping / Brett Smith**

Cauldron Energy Limited

P: (08) 9211 5777

**David Tasker**

Professional Public Relations

P: (08) 9388 0944/ 0433 112 936

E: [david.tasker@ppr.com.au](mailto:david.tasker@ppr.com.au)

**Competent Person Statement**

*The information in this report to which this statement is attached that relates to Cauldron Energy Limited's Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Brett Smith and Mr Terry Topping who are Members of the Australasian Institute of Mining and Metallurgy. Mr Smith and Mr Topping are full-time employees of Cauldron Energy Limited. Mr Smith and Mr Topping have sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration. They are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Both Mr Smith and Mr Topping consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.*