Blackwood Goldfield Project area in the highly prolific Central Victorian Goldfields that comprise Ballarat and Bendigo

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

Cauldron Energy Limited (ABN 22 102 912 783)
AND CONTROLLED ENTITIES

Choosing green energy initiatives to power our operations.

Cauldron Energy Limited (ASX: CXU) is an exploration and development company with a focus on identifying and developing quality assets, in significant mineralized trends, close to infrastructure, and in mining friendly jurisidictions.

Our portfolio of projects offers exposure to commodities that include uranium, sand and gold, each of which is in high demand.

Our primary focus is the world class Yanrey Uranium Project which has the potential to play a key role in the industrial decarbonisation strategy occurring globally.

cauldronenergy.com.au


Au

92

U

URANIUM

14 + 8

SiO_2

SAND

79

Au

GOLD

INDEX

NON EXECUTIVE CHAIRMAN
Ian Mulholland

EXECUTIVE DIRECTOR
Michael Fry

NON-EXECUTIVE DIRECTORS
Qiu Derong
Judy Li
Chenchong Zhou

COMPANY SECRETARY
Michael Fry

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(Home Exchange: Perth, Western Australia)

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100 St Georges Terrace
Perth WA 6000

CHAIRMAN'S LETTER

Dear Shareholder

***On behalf of the Board of Directors of Cauldron,
I am pleased to provide our Annual Report for FY2022.***

I have only recently joined Cauldron, having been appointed Non-Executive Chairman on 31 May 2022. I was attracted to Cauldron by the unique combination of its projects, and in particular the Yanrey Uranium Project which is potentially a project of global significance and scale, and by the Blackwood Gold project, an area with great potential that has seen limited exploration.

The Company's Yanrey Uranium Project which houses the Bennet Well Deposit is an important strategic asset to the Company with uranium prices trading at a near 10-year high and over 30 countries worldwide in the process of considering, planning or starting nuclear power programs including France, which recently announced plans to build 14 nuclear reactors by 2050, the UK which has plans to build a further 8 nuclear power plants by 2050 in a bid to generate 50% of its power requirements from nuclear, and Japan which has a stated goal of obtaining 20-22% of its electricity requirements from nuclear by 2030 which has resulted in 10 nuclear reactors at 6 power stations being given approval to proceed. Added to that are the large number of nuclear power stations reportedly being built in China.

> *Nuclear power is central to most country's plans to reduce their carbon dioxide emissions with nuclear power providing a base load of reliable electricity that is cheap, carbon-free and clean. The recent commercialisation of small modular reactors (SMR) has opened up the potential for Australia to reduce its power costs and carbon dioxide emissions especially in remote areas like Western Australia.*

The mineralisation at Bennet Well is amenable to in-situ leach recovery and as such has the potential for low-impact, low-cost production. The Company would be well placed to take advantage of the surging appetite for uranium world-wide were it not for the policy of the Western Australian Labor government which has placed a ban on uranium mining in the state. A change in sentiment by the Western Australian government would allow Yanrey, and Western Australia, to establish itself as a dominant provider of clean green energy, allowing coal to be diverted to uses other than power generation.

With uranium safely and responsibly being mined in other parts of Australia and around the world, and with significant improvement in techniques and practices over the past 50 years, there seems to be no logical justification for a continuation of the Labor government policy and the ban.

At the Blackwood Gold Project the Company has just finished its maiden drill program. There were many challenges and whilst the drilling was not as successful as we had hoped, we did manage to confirm high grade gold mineralization in a previously untested area and to identify the key structures; key learnings that place the Company in good stead for future programs where the Company will look to drill deeper below the previous historical activity into fresh untapped gold in quartz.

We remain excited about the Blackwood goldfield which has been largely untouched for over fifty years, and where there are over 250 underground workings, mostly less than 100 metres from surface. There is great optimism that the Company can be successful in targetting high-grade plunge extensions of historical workings below the 100 metre level, leading to multiple new high-grade discoveries.

In summary, the Company has a portfolio of projects in gold, sand and uranium that offers unique project diversification in commodities that are in high demand, and that boast the potential for both early cashflow and long-term growth in value.

I thank our team of dedicated employees for their efforts in difficult circumstances as we emerge from the COVID pandemic, and look forward to building our team in the next year.

Health and safety of employees and contractors, prudent financial management, execution of our exploration strategy and regular communication with our shareholders are the Board's priorities for the coming year, and we look forward to updating you on our progress as the year unfolds.

For and on behalf of the Board of Cauldron Energy Limited.

Ian Mulholland
Chairman

Cauldron has a portfolio of projects in uranium, gold and sand. This unique diversification in high-demand commodities, particularly uranium and gold, boasts potential for long-term growth in value.

URANIUM

Cauldron's Yanrey Uranium Project is well positioned to take advantage of the growing global demand for uranium. If the Labor government were to overturn its ban on uranium mining in Western Australia, the Bennet Well Uranium Resource could be developed to its full potential and assist in meeting that demand by becoming Western Australia's first In-Situ Recovery uranium mine.

At the time of writing, the price of uranium is ~US$50 per pound, having stabilised after a rapid two-year increase (rising from US$30 in mid-2021). The uranium price reached a 10-year high in April 2022 when it moved above US$64 per pound, spurred by Russia's invasion of Ukraine, and a growing number of countries including France, UK and Japan mandating the construction of nuclear power plants to provide baseload power requirements.

Analysts are predicting a further strengthening of the price and potentially a return to the April 2022 high as Europe heads into winter, energy prices rise higher and higher and the Russia-Ukraine crisis worsens. Many governments have already come to the realisation that nuclear is a clean and bankable source of energy and are looking to nuclear to solve their energy requirements.

The World Nuclear Association reports that there are currently 55 reactors under construction, mostly in the Asian region where electricity demand is rapidly growing, with a further 90 plants on order or planned. The Association further reports that the majority of countries with existing nuclear power programs are planning, or already building, new power reactors, and about 30 countries are considering, planning or starting nuclear energy programs.

In addition, there exist a number of countries who had previously closed nuclear reactors that are now seeking to rapidly restart them.

France, which currently derives about 70% of its electricity generation from nuclear power, and historically been Europe's biggest electricity exporter, principally to the UK and Italy; currently has approximately half of its nuclear reactors shut down and has committed to restarting all this winter, with closed reactors reopening each week from October.

Japan too is restarting reactors with plans to bring seven more nuclear reactors online in the short term. The total number of reactors online will then be 17 out of a total of 33 operable units.

Prime Minister Fumio Kishida stated in August 2022 that "the Japanese government will explore development and construction of new reactors as the country aims to avoid new strains on power grids that buckled under heavy demand this summer, and to curb the nation's reliance on energy imports. Nuclear power and renewables are essential to proceed with a green transformation - Russia's invasion changed the global energy situation."

There is now growing recognition that nuclear power makes a significant contribution to the mitigation of carbon dioxide gas emissions.

According to a report released by the Parliament of Australia titled "*Australia's uranium – greenhouse friendly fuel for an energy hungry world*":

- ❖ Nuclear power plants emit no carbon dioxide gas emissions at point of generation and very small quantities over the whole nuclear fuel cycle, from uranium mining through to waste disposal.
- ❖ Nuclear power represents the only current reliable and proven means of limiting increased emissions while meeting the world's voracious appetite for energy.
- ❖ While there is a role for renewables and certainly for greater use of efficiency measures, renewables are limited in their application by being intermittent, diffuse and pose significant energy storage problems. Renewables also require substantial backup generation, which needs to be provided by conventional baseload power sources. Promised baseload contributions from geothermal, are yet to be developed on any scale. For the generation of continuous, reliable supplies of electricity on a large scale, the only current alternative to fossil fuels is nuclear power.

The report also observed that electricity generation is the largest contributor of CO_2 emissions at 40 per cent of the global total and is also the fastest growing. The report concluding that it is imperative that emissions from this sector be reduced, particularly in fast-growing, developing nations such as China.

OPERATIONS REPORT

A submission to the House of Representatives Standing Committee on Environment and Energy, Nuclear for Climate stated that climate change is the most significant threat to our planet today - that nuclear power has demonstrated, by precedent, that:

- it can be deployed quickly,
- operate economically,
- massively reduce carbon emissions, and that
- for the benefit of the planet, nuclear must be included in the climate conversation as it is a proven and efficient mitigation technology that is available today.

In-Situ Recovery (ISR) Mining of Uranium Deposits

The In Situ Recovery (ISR) mining process has been proven globally, and domestically, to be the most cost effective and environmentally acceptable method of uranium extraction. This makes deposits, such as the 100% Cauldron-owned Bennet Well Uranium Deposit, highly valued in their amenability for this low-cost form of uranium mining. According to recent reports, ~57% of global uranium production is sourced from ISR mines.

The process of ISR mining involves leaving the ore *in situ* - i.e., where it is in the ground - and recovering the minerals from the host sediment formation by drilling wells into the deposit and using pre-defined wells to inject native groundwater fortified with a complexing agent and oxidant to dissolve the uranium inside the target horizon. The "pregnant" solution is then pumped out of a neighbouring drillhole to a processing plant at the surface. The uranium-rich solution is treated to recover the uranium oxide mineral, thereby ensuring minimal ground disturbance has occurred. Furthermore, there are no tailings or waste rock dumps generated.

In order for a deposit to be amenable to the ISR style of mining, it must be:

- sandstone-hosted, ideally in a palaeochannel or palaeovalley system,
- laterally extensive,
- sub-horizontal,
- tabular in shape,
- hosted within permeable sands,
- hosted in saturated conditions,
- capped by impermeable aquiclude (e.g., clay formation),
- shallow in depth (to mineralisation) from the ground surface, and
- contained by an impermeable formation beneath the orebody (e.g., hard granite basement).

In Australian ISR mines (Beverley, Four Mile, and Honeymoon) the oxidant used is hydrogen peroxide and the complexing agent is sulfuric acid.

Techniques for ISR have evolved to the point where it is a controllable, safe, and environmentally benign method of mining that, by strict legislation, operates under specific, highly regulated and monitored operational controls. Due to the low capital costs involved (relative to conventional mining) it can often be a more effective method of mining low-grade uranium deposits.

YANREY PROJECT, WESTERN AUSTRALIA

The Yanrey Project comprises a collection of twelve granted exploration tenements over an area of 1,245 km^2 in northwest Western Australia (Figure 1), one of which secures the Bennet Well Uranium Deposit (Bennet Well). The project is prospective for sandstone-style uranium mineralisation capable of extraction by in-situ recovery mining techniques.

Bennet Well, and consequently the Yanrey Uranium Project, has been the subject of a significant amount of exploration since the early 2000's by Cauldron.

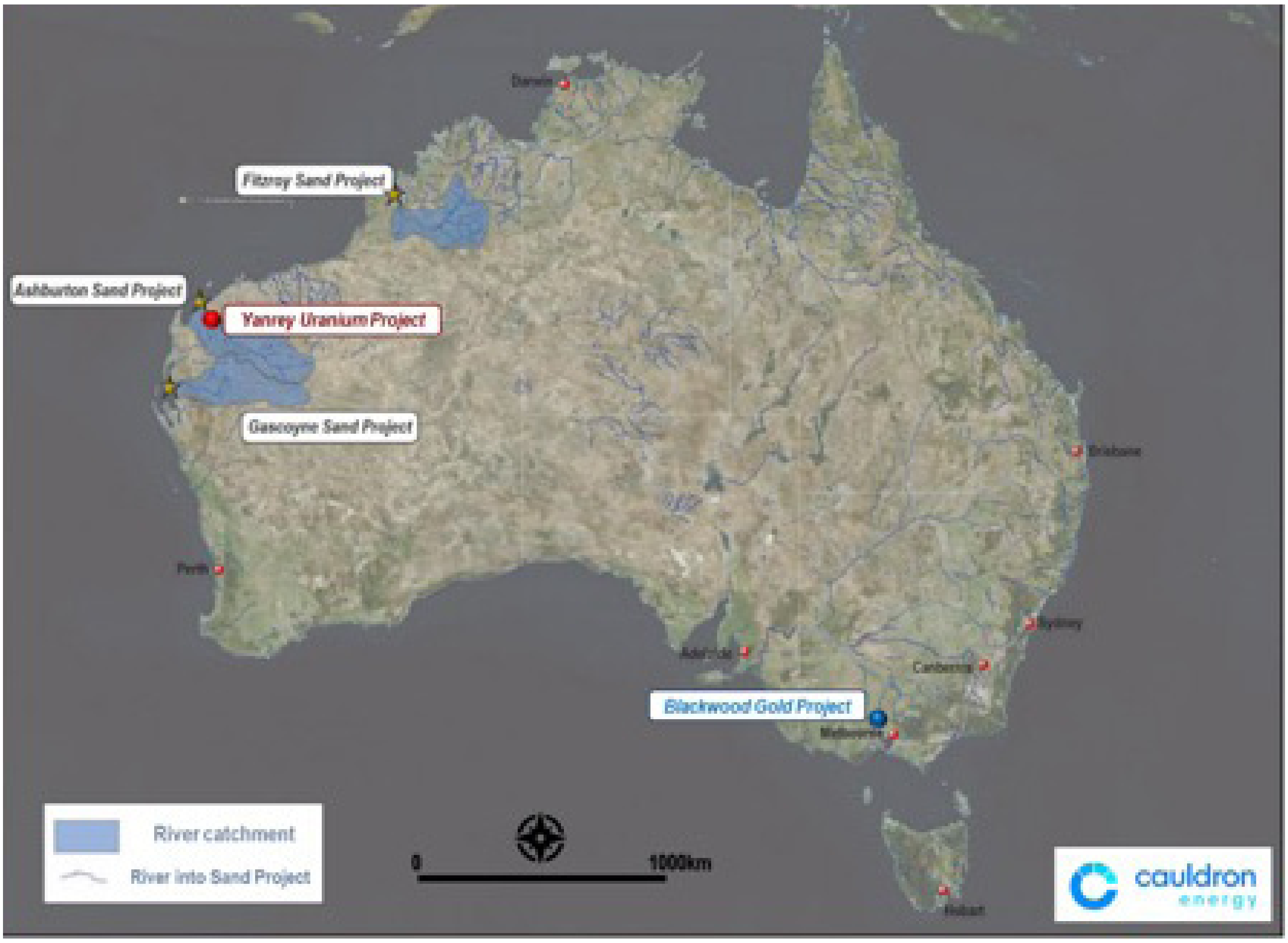

Figure 1: Project Location Map

Since the announcement on 20 June 2017 of a ban on new uranium mines in Western Australia by Minister Bill Johnston, Cauldron has only been able to undertake limited fieldwork activities within the Yanrey Uranium Project. The policy regarding uranium exploration in Western Australia remains uncertain, and Cauldron continues to regularly seek advice from the Minister and the Department of Mines, Industry Regulation and Safety (DMIRS).

Bennet Well

The Bennet Well Uranium Deposit is located within exploration licence E08/1493 (Figure 2). The mineralisation at Bennet Well is a shallow accumulation of uranium, hosted in unconsolidated sands (less than 100 m downhole depth) in Cretaceous sedimentary units of the North Carnarvon Basin. The Bennet Well deposit is comprised of four spatially separate domains; namely Bennet Well East, Bennet Well Central, Bennet Well South and Bennet Well Channel.

Concurrently, Cauldron completed Phase 1 of a developmental research study in 2017 with the CSIRO and Minerals Research Institute of Western Australia (MRIWA) to prove the ISR amenability of Bennet Well[1]. Based on the highly promising results of the Phase 1 work, Phase 2 involves the completion of a Field Leach Trial (FLT) to quantify the ISR potential of the orebody. Due to the Western Australian State Labor government's ban on uranium mining, however, the FLT would not be approved by the Department of Mines, Industry Regulation and Safety (DMIRS). Despite regular attempts and correspondence, the Government has yet to clarify its policy on uranium exploration. Cauldron will continue to state its case with DMIRS and the WA Government.

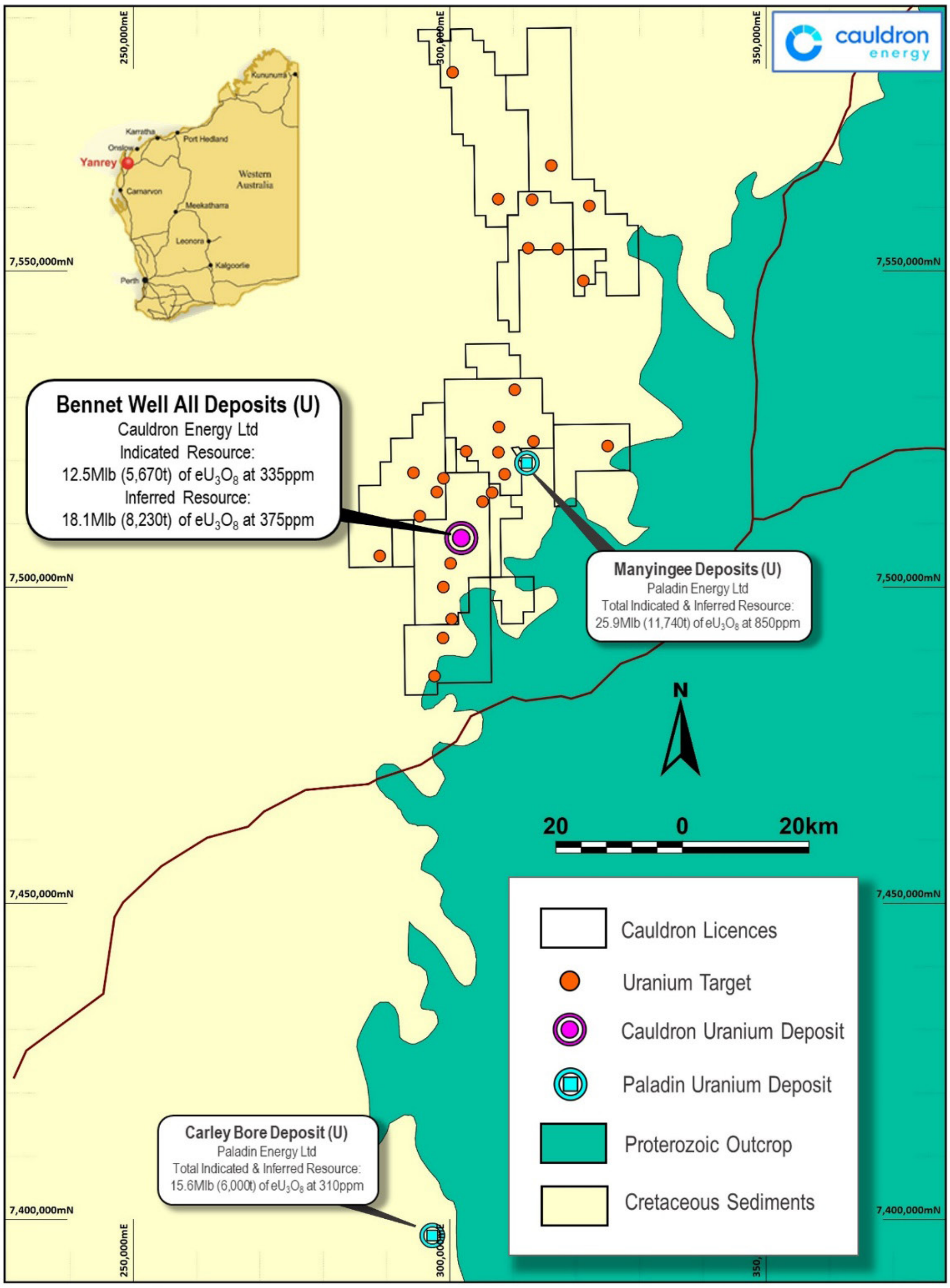

Figure 2: Location of the Bennet Well Uranium Deposit within the greater Yanrey Uranium Project

1 *Refer to ASX Announcement dated 25 May 2017*

Bennet Well Mineral Resource

A Mineral Resource (JORC 2012) Estimate for Bennet Well was completed by Ravensgate Mining Industry Consultants and was fully reported in ASX announcement dated 17 December 2015, including geological maps and cross sections, supporting and explanatory statements and metadata as required under the reporting standards of JORC 2012. No work on the Mineral Resource has been completed since, and therefore remains unchanged for the current reporting period.

The mineralisation at Bennet Well is a shallow accumulation of uranium, hosted in unconsolidated sands close to surface (less than 100 m downhole depth) in Cretaceous sedimentary units of the Ashburton Embayment. The Bennet Well deposit is comprised of four spatially separate domains; namely Bennet Well East, Bennet Well Central, Bennet Well South and Bennet Well Channel.

The Mineral Resource (JORC 2012) estimate is:

- **Inferred Resource: 16.9 Mt at 335 ppm eU_3O_8 for contained uranium-oxide of 12.5 Mlb (5,670t) at 150 ppm cut-off;**
- **Indicated Resource: 21.9 Mt at 375 ppm eU_3O_8 for contained uranium-oxide of 18.1 Mlb (8,230t) at 150 ppm cut-off;**
- **Total Mineral Resource: 38.9 Mt at 360 ppm eU_3O_8, for total contained uranium-oxide of 30.9 Mlb (13,990t) at 150 ppm cut-off.**

Work Completed

During the financial year ended 30 June 2022, the Company completed a passive seismic program over Exploration Licence E08/3088, situated approximately 10 kilometres northwest of Bennet Well. Several unusual basement complexities were identified as being similar to those observed at Bennet Well and as such are considered to be highly prospective targets for future drill-testing.

GOLD

Like no other commodity, gold has held the fascination of human societies since the beginning of recorded time. Empires and kingdoms were built and destroyed over gold. As societies developed, gold was universally accepted as a satisfactory form of payment. In short, history has given gold a power surpassing that of any other commodity on the planet, and that power has never disappeared.

That fascination with gold has been at extreme levels in recent times, with the price of gold presently trading at around US$1,670/oz, not far off the high of US$2,070/oz that occurred in August 2020. Translated into A$ terms it has ranged between A$2,500/oz and A$3,000/oz.

The "Golden Triangle" is a colloquial term for a highly productive central portion of the Victorian gold province, containing the Bendigo (>22.4 million ounces of gold production), Ballarat (>13.1 million ounces of gold production), Castlemaine (>4.2 million ounces of gold production) and Stawell (>2.6 million ounces of gold production)[2] goldfields.

The central portion of the Victorian gold province, one of the world's most productive and until recently, largely forgotten gold producing areas, accounts for more than 2% of world gold production and 30% of Australian gold production since 1850.

The geology of Victoria is split into twelve zones, each having a distinct stratigraphic, structural and lithological style. Of these zones, the Ballarat (central), Melbourne (eastern) and Stawell zones (western) are historically the most productive for gold (Figure 3):

There have been numerous significant recent exploration successes in the Golden Triangle, including but not limited to, the finding of significant additional gold resources at the Fosterville Gold Mine that has led to it becoming one of the world's highest-grade and most profitable gold mines.

Cauldron is looking to have success at the historic Blackwood Gold Project located in the heart of the Golden Triangle.

2 ***Source:*** *Department of Earth Resources, Victoria website: www.earthresources.vic.gov.au/geology-exploration/minerals/metals/gold*

BLACKWOOD GOLDFIELD PROJECT, VICTORIA

Cauldron holds a 51% joint venture interest in the Blackwood Gold Project located south-east of Daylesford, in the highly prospective Central Victorian Goldfields that surround Ballarat.

The Project, which comprises Exploration Licence 5479, covers an area of ~24 km^2 and secures the most significant portion of the highly prospective Blackwood Goldfield. The Exploration Licence is granted and in good standing with a licence expiry date of 23 March 2024.

Under the joint venture agreement, Cauldron has stepped earn-in rights to increase its ownership from 51% to 80%, upon achievement of milestones, as follows: (i) CXU to earn 65% upon achievement of a Mineral Resource (JORC 2012) containing at least 300,000 ounces of gold; (ii) CXU to earn 80% upon achieving mining production of gold at a rate of at 10,000 ounces per annum.

The Blackwood Gold Project incorporates the largely forgotten historic Blackwood Goldfield. From 1864 to 1960, it produced about 218,000 ounces of gold largely from hard-rock underground mining of gold-rich quartz reef structures. Gold was won down to a depth of 100m below surface, with very little mining activity below a depth of 150m. The Sultan mine is the deepest in the goldfield with production levels at 230 m below ground with its shaft reaching 274m depth, still in payable gold; and produced over 73,000 ounces of gold at an average grade of 28 g/t. The project area contains in excess of 250 underground workings; with the largest known producers shown in Table 1.

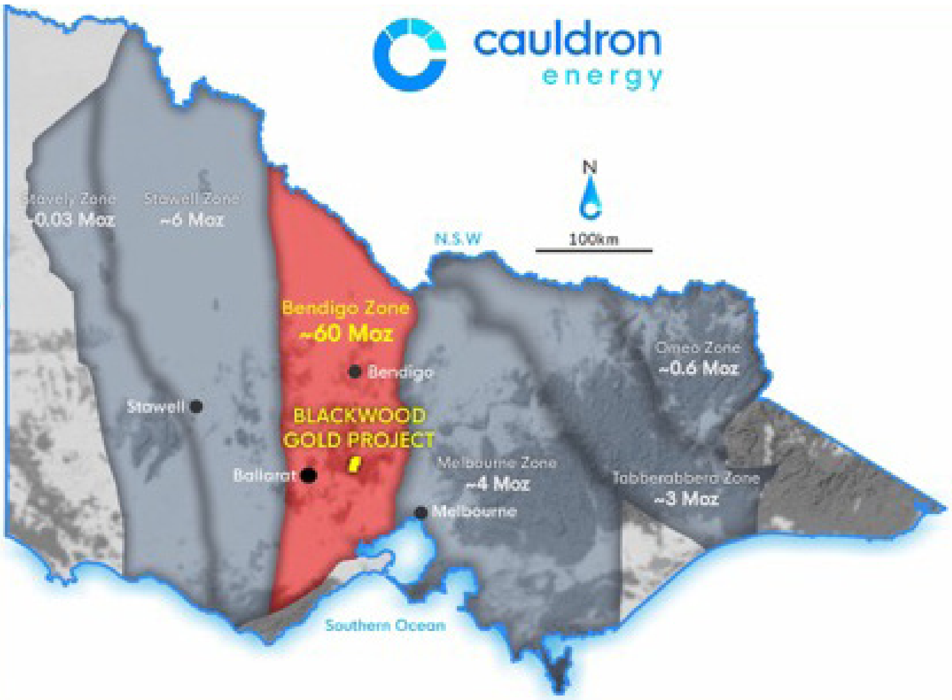

Figure 3: Victorian geological zones with goldfield coloured by production (modified from the original, source: GeoVic3)

Table 1: Gold production various reef sources in Blackwood Goldfield

Mine	Worked Depth [m]	Ore Mined [t]	Gold Produced [oz]	Grade [g/t Au]
North Sultan	243		620	
Sultan	231	82,000	73,310	28
Sultana	61		1,530	
Mounters	134	19,070	9,910	16
Homeward Bound	20		450	
Bog Hill	62		3,180	
Annie Laurie	76		270	
Grace Edgerton	62	1,090	2,850	80
British Lion			1,100	

Source: *Report titled "The Gold Mines of Blackwood" by Erik Norum, Consultant Geologist, August 2018*

Most mining activity on reef structures at Blackwood halted at shallow depths. Cessation of mining in many cases was not due to depletion of mineralisation but due to other factors such as inability to cope with high ground water flows in the underground workings or inability to raise the capital for development work.

Another way to represent the undiscovered potential of Blackwood is to compare this goldfield against its peers elsewhere in the Central Victorian Goldfields. Using an averaged depth of mining from all workings at Blackwood, historical gold production figures from the Project were compared with production from current operational goldfields such as Ballarat and Bendigo. Cognisant of the fact that the existing mines have been extended to depths far greater than any historical mining at Blackwood, the Company normalised the known, recent production figures to the same depth of mining as the average for the Project. Results strongly suggest that the Blackwood Goldfield holds far more remaining potential for the same level of bonanza grades and tonnages as its neighbours in the surrounding region (Figure 4).

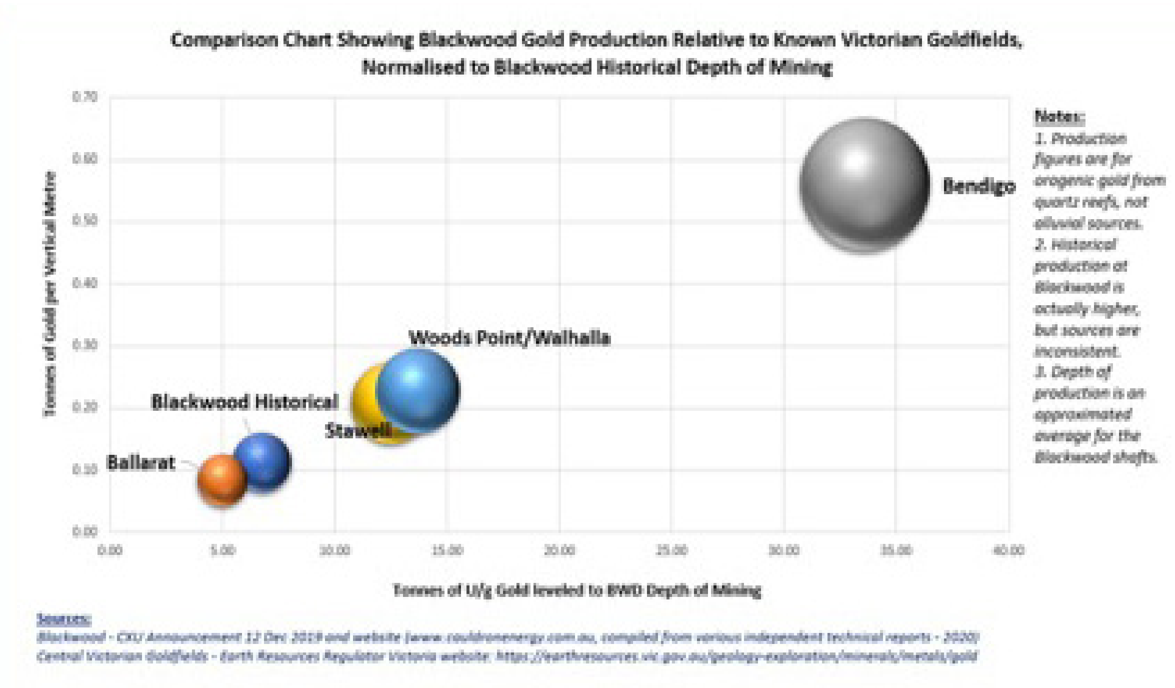

Figure 4: Comparison Chart of Blackwood Historical Goldfield versus Current Producing Goldfields

Work Completed During the Year

Work during the year has primarily focused on drilling previously unmined sections of the Annie Laurie lode, accessed from underground via the Tyrconnel Adit with no surface impact to the surrounding forest. Efforts were initially hampered by a blockage in the Adit which required Cauldron to undertake significant remedial and rectification works to ensure safe operations. The particular style of underground drilling required to adequately test the targets from within the Adit also required a specific set of drilling skills that are extremely rare within Australia. As such, Cauldron struggled to find the right drilling personnel until June 2022.

As a result, drilling only commenced in earnest in recent months.

In the period up to the date of this report, a total of seventeen (17) drill holes have been completed, with all of the initial ten (10) holes failing to intersect the target reef due to a variety of issues that include abandonment due to lack of sample recovery, intersecting unknown voids that exist from historical mining activity, and targeting issues due to historical mapping errors. Holes eleven through seventeen have been far more successful at intersecting the target reef and better assays to date include:

- 0.35m @ 1.06 g/t Au from 19.50m (BKD011)
- 0.60m @ **20.1 g/t Au** from 20.80m (BKD014)
- 0.80m @ **19.2 g/t Au** from 20.20m; including 0.30m @27.0 g/t Au (BKD015)

The results confirm the high grade nature of gold mineralisation consistent with historical mining activities at Blackwood, while the mixed success rate is typical of exploration for high-grade, narrow-vein style gold in the Central Victorian goldfields.

SAND

Sand is by far the largest globally mined commodity (Figure 5), outstripping the shipments of coal, iron ore and grain.

The international sand and aggregate markets in 2017 were worth an estimated US$4.5 billion. By 2030, its worth is estimated to grow to US$60 billion, representing a growth rate of 5.5 per cent per year.

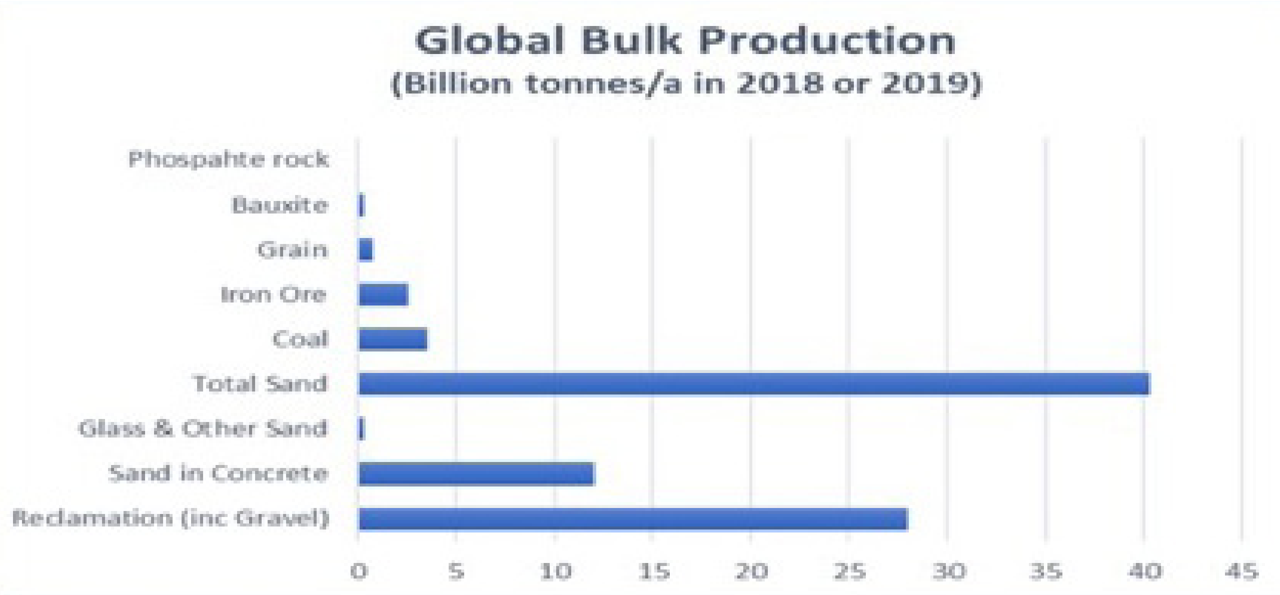

Figure 5: Estimated Global Annual Bulk Commodity Production in billion tonnes (2018/2019)[Source CXU]

In late December 2020, Cauldron announced the acquisition of a 100% ownership interest in a number of river sand tenements located at the mouths of the Carnarvon, Onslow and Derby rivers in Western Australia, collectively covering an area of about 286 km^2.

In June 2021, ownership of four sand licences (EL08/2328, EL08/2329 and EL08/2462 and miscellaneous licence L08/71) located at the mouth of the Ashburton River in Onslow were transferred to Cauldron. The other four sand licences still remain to be transferred to Cauldron to complete the transaction.

Background

Cauldron has secured licences located on three of the largest river systems crossing the coast in central to northern Western Australia. These licences cover the mouths of the Fitzroy River at Derby, the Ashburton River at Onslow and the Gascoyne River at Carnarvon.

The Fitzroy, Ashburton and Gascoyne rivers drain a huge area of granitic rocks commencing from their respective headwaters all the way to the project areas, at the mouths of the rivers. Every time there is a flooding event somewhere in the catchment area, sand is deposited into the project area, replenishing the supply of sand and re-establishing the river mouth in its original pristine condition.

Sand is by far the largest globally mined commodity, outstripping the shipments of coal, iron ore and grain. (Source: *UN Environment 2019; Sand and Sustainably, Finding new solutions for Environmental Governance of global sand resources.*) The global market for construction aggregates in 2020 was worth an estimated US$393 billion, and by 2030 its worth is estimated to grow to US$560 billion; a growth rate of 5.2 per cent per year.

(Source: *www.researchandmarkets.com/reports/5140975/construction-aggregates-global-market*).

Cauldron's sand tenement interests at Onslow have been challenged by a third party who is opposing the transfer of the main mining lease to Cauldron. The initial hearing found in favour of Cauldron and its co-defendants with the applicant seeking leave of appeal which was granted. An injunction preventing transfer to Cauldron remains in place whilst the matter is before the Court of Appeal. The matter was heard in October 2022 and the decision is pending.

Work Completed During the Year

Due to the Company's focus on the Blackwood Gold Project during the year, only limited work has been undertaken with respect to the Sand projects.

Subsequent to year end, in August 2022, Mineral Resources Limited announced its decision to proceed with its estimated A$3 billion development of its Onslow iron ore project in the West Pilbara region of Western Australia which will involve construction of a private haul road, port infrastructure and accommodation. This project is expected to give rise to increased demand for the supply of sand, cement and aggregates locally with Cauldron well placed to assist.

Competent Person Statements

Exploration Results

The information contained in this report that relates to exploration results for the Blackwood Gold project is provided by Ms Asha Rao, who is a Member of both the AusIMM and the Australasian Institute of Geoscientists (AIG). Ms Rao has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person, as defined in the JORC 2012 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Ms Rao has more than 16 years of experience and is employed full-time as Exploration Manager for Cauldron Energy Ltd. Ms Rao consents to the inclusion in this report of the matters based on this information in the form and context in which they appear.

Mineral Resources

The information in this report that relates to the Mineral Resource for the Bennet Well Uranium Prospect is based on information compiled by Mr Jess Oram who was the Executive Director, Chief Executive Officer and Exploration Manager of Cauldron at the time, and a member of the Australasian Institute of Geoscientists.

The information in this report that relates to sampling techniques and data, exploration results, geological interpretation and Exploration Targets, Mineral Resources or Ore Reserves for the Yanrey Project, the Rio Colorado Project and the Blackwood Gold Project is also based on information compiled by Mr Oram.

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 in this report may contain forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Cauldron Energy Limited's business plans, intentions, opportunities, expectations, capabilities and other statements that are not historical facts. Forward-looking statements include those containing such words as could-plan-target-estimate-forecast-anticipate-indicate-expect-intend-may-potential-should or similar expressions. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, and which could cause actual results to differ from those expressed in this report. Because actual results might differ materially to the information in this report, the Company does not make, and this announcement should not be relied upon as, any representation or warranty as to the accuracy, or reasonableness, of the underlying assumptions and uncertainties.

DIRECTORS' REPORT

Your directors present their report together with the financial report on the Group consisting of Cauldron Energy Limited ("**Cauldron**" or "**the Company**") and its controlled entities ("**the Group**") for the financial year ended 30 June 2022 and the auditors' report thereon.

In order to comply with the provisions of the Corporations Act 2001, the directors report as follows.

DIRECTORS

The names and particulars of the directors of the Company in office at the date of this report are:

Mr Ian Mulholland

Non-Executive Director and Chairman

Appointed 31 May 2022

B.Sc (Hons), M.Sc, FAIG

Mr Mulholland has had a long and distinguished career in the exploration and mining industry holding senior technical and executive roles for over 30 years. Mr Mulholland was Chief Geologist of Summit Resources during which time Summit completed a resource upgrade on the Valhalla uranium deposit and acquired a portfolio of uranium projects in Queensland; ultimately being taken over by ASX-listed Paladin Resources for ~$44 million. Subsequently, Mr Mulholland was Exploration Manager at Anaconda Nickel during the period that Anaconda grew its lateritic nickel ore resource from 300 million tonnes to over 1.3 billion tonnes; and Technical Director of Conquest Mining during the period in which Conquest acquired the Mt Carlton silver-gold project with Conquest subsequently merging with Evolution Mining for a ~$320 million valuation. Most recently, Mr Mulholland was founding Managing Director of ASX-listed Rox Resources for 15 years. Since retiring from Rox Resources in April 2019, Mr Mulholland has operated a highly successful personal geological and mining consultancy.

Directorships of listed companies held within the last 3 years:	Nil
Interest in Shares:	1,000,000 Fully Paid Ordinary Shares
Interest in Options:	Nil

Mr Michael Fry

Executive Director

Appointed on 7 September 2022

Mr Fry is an experienced public company director and senior executive who has been involved in the mineral resources mining and exploration industries for over twenty years.

Mr Fry has a background in accounting and corporate advice having worked with KPMG (Perth) where he qualified as a Chartered Accountant, Deloitte Touche Tohmatsu (Melbourne) and boutique corporate advisory practice Troika Securities Ltd (Perth). From 2006 to 2011, Mr Fry was the Chief Financial Officer and Finance Director at Swick Mining Services Limited, a publicly listed drilling services provider contracting to the mining industry in Australia and North America.

Mr Fry is Chief Financial Officer and Company Secretary of ASX-listed companies Globe Metals & Mining Limited (ASX:GBE), VDM Group Limited (ASX: VMG) and company secretary of unlisted public company GLX Digital Limited. Mr Fry is the current Chief Financial Officer and Company Secretary of Cauldron.

Directorships of listed companies held within the last 3 years:	VDM Group Limited, 3 June 2011 to present
Interest in Shares:	66,667 fully paid ordinary shares
Interest in Options:	Nil
Interest in Performance Rights:	Nil

Mr Qiu Derong
Non-Executive Director
Appointed on 6 November 2009

Mr Qiu is a highly experienced industrialist with more than 30 years' experience in the architecture, construction and real estate industries in China as well as over 20 years of experience in the management of enterprises and projects throughout the country.

Mr Qiu has a MBA obtained from the Oxford Commercial College, a joint program operated by Oxford University in China.

Directorships of listed companies held within the last 3 years:	Nil
Interest in Shares:	47,544,710 Fully Paid Ordinary Shares
Interest in Options:	Nil
Interest in Performance Rights:	1,000,000

Ms Judy Li
Non-Executive Director
Appointed on 17 December 2014

Ms Judy Li has over 10 years of extensive international trading experience in hazardous chemical products. She has also been involved in international design works for global corporates and government clients while working for Surbana that has been jointly held by two giant Singapore companies - CapitaLand and Temasek Holdings. Throughout her career, Judy has contributed to building tighter relationship between corporates and governments. Judy earned her masters degree in art with Honors Architecture from University of Edinburgh in the United Kingdom.

Directorships of listed companies held within the last 3 years:	Nil
Interest in Shares:	Nil
Interest in Options:	Nil
Interest in Performance Rights:	1,000,000

Mr Chengchong Zhou
Non-Executive Director
Appointed on 2 May 2017

Mr Chengchong Zhou is an experienced financial analyst in the materials and energy sector. In his career, Mr Zhou covers an extensive list of junior to mature mining companies and has developed a good understanding of industry financing. Mr Zhou received his Bachelor of Science in Economics degree from Wharton Business School in 2013.

Directorships of listed companies held within the last 3 years:	Nil
Interest in Shares:	Nil
Interest in Options:	Nil
Interest in Performance Rights:	1,000,000

Mr Simon Youds

Executive Director and Chairman

Appointed 15 March 2019; *Resigned 7 September 2022*

B.Eng (Mining), MBA, AUSIMM Member

Mr Youds has over 30 years experience in the exploration and mining industry across a range of commodities. Mr Youds is the former Chief Executive Officer of African Iron, an iron ore explorer in the Republic of Congo, where he facilitated a A$388 million deal for its purchase by Exxaro Resources, and more recently was a director and CEO of ASX-listed company Vector Resources Ltd (under administration). He. In other highlights, Mr Youds was Managing Director, Australia, of Consolidated Minerals Limited, which owned and operated the Woodie Woodie and Coobina manganese and chromite mining operations, located in the Pilbara region of Western Australia. Mr Youds also spent five years working as a member of the WMC team at Olympic Dam in South Australia developing the world's largest uranium deposit. Further in Africa Mr Youds held various operating and development roles at the Bibiani Gold Mine in Ghana and the Bulyanhulu and North Mara Gold Mines in Tanzania. Mr Youds has a Bachelor of Engineering (B.Eng) in Mining and holds an MBA degree from Deakin University, Victoria, and is a member of the Australasian Institute of Mining and Metallurgy.

Directorships of listed companies held within the last 3 years:	Vector Resources Ltd (*under administration*)	
Interest in Shares:	4,172,864 Fully Paid Ordinary Shares	
Interest in Options:	Nil	
Interest in Performance Rights:	4,000,000	

Mr Jess Oram

Non-Executive Director

Non-executive Director from 16 July 2021. Prior to that, Executive Director from 1 January 2018.

Resigned 31 May 2022

B.Sc, AIG member

From April 2014 until 1 January 2018, Mr Oram served the Company as Exploration Manager. On 1 January 2018 Mr Oram was promoted to Chief Executive Officer and Executive Director. On 15 July 2021, Mr Oram resigned as Chief Executive Officer of the Company in order to take up a position with ASX-listed company Paladin Energy Limited but remained with the Company as a non-executive director. Mr Oram has over 25 years' experience in mineral exploration in a wide variety of geological terrains and resource commodities with an accomplished track record in establishing and leading the exploration function of several companies. In uranium, Mr Oram was Chief Exploration Geologist for Heathgate Resources Pty Ltd where he was involved in mining feasibility studies of the Four Mine Uranium deposits and 'team leader' of a group of geoscientists involved in the discovery of the Pepegoona Uranium, Pannikan Uranium and Pannikan West Uranium deposits. Mr Oram has a Bachelor of Science (B.Sc), Geology major from the University of Queensland and is a member of the Australian Institute of Geoscientists (AIG).

Directorships of listed companies held within the last 3 years:	Force Commodities Limited *(February 2019 to Feb 2021)*	
Interest in Shares:	Nil	
Interest in Options:	Nil	
Interest in Performance Rights:	2,000,000	

Directors have held office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

Michael Fry was appointed Company Secretary of Cauldron on 11 April 2019. Michael holds a Bachelor of Commerce degree from the University of Western Australia and has worked in the capacity of chief financial officer and company secretary of ASX listed companies for over 20 years.

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of Cauldron's directors for the financial year ended 30 June 2022.

KEY MANAGEMENT PERSONNEL

Key Management Personnel includes:

- Ian Mulholland (Non-executive Chairman; appointed 31 May 2022)
- Simon Youds (Executive Director – resigned 7 September 2022)
- Jess Oram (Non- Executive Director – resigned 31 May 2022)
- Qiu Derong (Non-executive Director)
- Judy Li (Non-executive Director)
- Chenchong Zhou (Non-executive Director)

The named persons held their positions for the duration of the financial year and up to the date of this report, unless otherwise indicated.

REMUNERATION POLICY

The remuneration policy of Cauldron has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates.

Cauldron's board believes the remuneration policy to be appropriate and effective in its ability to attract and retain appropriately skilled directors to run and manage the Group, as well as create goal congruence between directors and shareholders.

During the year, the Company did not have a separately established remuneration committee. The Board is responsible for determining and reviewing remuneration arrangements for the executive and non-executive directors. The Board assesses the appropriateness of the nature and amount of remuneration of such officers on a yearly basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from retention of a high quality board. Due to the size of the business, a remuneration consultant is not engaged in making this assessment.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The executive director determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Shareholders approved the maximum total aggregate fixed sum per annum to paid to non-executive directors be set at $750,000 at the 2015 Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

REMUNERATION REPORT AT AGM

The 2021 remuneration report received positive shareholder support at the Annual General Meeting of the Company held on 25 January 2022 whereby of the proxies received 84.01% voted in favor of the adoption of the remuneration report.

COMPANY PERFORMANCE AND SHAREHOLDER WEALTH

Below is a table summarizing key performance and shareholder wealth statistics for the Group over the last five financial years.

Financial Year	Profit/(loss) after tax $	Earnings/(loss) per share (cents)	Company Share Price (cents)
30 June 2022	(1,854,948)	(0.37)	0.7
30 June 2021	(669,504)	(0.16)	3.9
30 June 2020	(1,634,616)	(0.47)	1.6
30 June 2019	(3,197,797)	(0.97)	1.7
30 June 2018	173,299	0.05	3.0
30 June 2017	(11,954,682)	(3.83)	3.4

The remuneration policy has been tailored to increase goal congruence between shareholders and directors. This has been achieved by the issue of performance rights to directors to encourage the alignment of personal and shareholder interest.

KMP REMUNERATION

Key Management Personnel (**KMP**) remuneration for the year ended 30 June 2022 was:

30 JUNE 2022	SHORT-TERM BENEFITS		LONG-TERM BENEFITS	POST EMPLOYMENT		SHARE BASED PAYMENTS (vi)	TOTAL	Remuneration performance based
Directors	Salary, Fees & Leave ($)	Other ($)	Long Service Leave ($)	Super-annuation ($)	Retirement Benefits ($)	$	$	%
Ian Mulholland (i)	5,000	-	-	-	-	2,500	7,500	33.34%
Simon Youds (ii)	240,000	-	-	-	-	38,667	278,667	13.88%
Jess Oram (iii)	109,603	-	-	983	-	(21,452)	89,134	(24.07)%
Qiu Derong (iv)	36,000	-	-	-	-	9,667	45,667	21.17%
Judy Li (v)	36,000	-	-	-	-	9,667	45,667	21.17%
Chenchong Zhou (vi)	36,000	-	-	-	-	9,667	45,667	21.17%
TOTAL	462,603	-	-	983	-	48,716	512,302	9.51%

(i) Mr Mulholland was appointed as a Director and Non-Executive Chairman on 31 May 2022. In his capacity as Director and Non-Executive Chairman, Mr Ian Mulholland is entitled to a fixed fee of $60,000 per annum from the date of his appointment. The Company has entered into a consulting agreement for the provision of these services. Amounts included in this table represent accrued fees.

(ii) In his capacity as an Executive Director, Mr Simon Youds is entitled to a fixed fee of $48,000 per annum from the date of his appointment (15 March 2019) for provision of his services a director and a variable fee of $100 per hour to a maximum of 160 hours per month (i.e. up to a maximum of $16,000 per month) for assistance on a day-to-day basis in supervising and managing work at the Company's projects. The Company has entered into a consulting agreement with Youds Mining Consulting Pty Ltd, a company controlled by Mr Simon Youds, for the provision of these services.

(iii) Mr Jess Oram was employed in the capacity of Chief Executive Officer and Executive Director of the Company up to his resignation on 15 July 2022 and thereafter as a Non-Executive Director of the Company until his resignation on 31 May 2022. In the capacity of Chief Executive Officer and Executive Director Mr Oram was entitled to an annual salary of $213,000 plus superannuation, and in the capacity of Non-Executive Director Mr Oram was entitled to an annual fee of $36,000.

(iv) In his capacity as Non-Executive Director, Mr Qiu Derong is entitled to a fee of $36,000 per annum. The Company has entered into a consulting agreement for the provision of these services. Amounts included in this table represent accrued fees.

(v) In her capacity as Non-Executive Director, Ms Judy Li is entitled to a fee of $36,000 per annum. The Company has entered into a consulting agreement for the provision of these services. Amounts included in this table represent a combination of paid and accrued fees.

(vi) In his capacity as Non-Executive Director, Mr Chenchong Zhou is entitled to a fee of $36,000 per annum. A consulting agreement for the provision of services is yet to be executed. Amounts included in this table represent accrued fees.

Key Management Personnel (**KMP**) remuneration for the year ended 30 June 2021 was:

30 JUNE 2021	SHORT-TERM BENEFITS		LONG-TERM BENEFITS	POST EMPLOYMENT		SHARE BASED PAYMENTS (vi)	TOTAL	Remuneration performance based
Directors	Salary, Fees & Leave ($)	Other ($)	Long Service Leave ($)	Super-annuation ($)	Retirement Benefits ($)	$	$	%
Simon Youds	135,673	-	-	-	-	38,667	174,340	22.18%
Jess Oram	213,000	-	3,809	20,235	-	19,333	256,377	7.54%
Qiu Derong	36,000	-	-	-	-	9,667	45,667	21.17%
Judy Li	36,000	-	-	-	-	9,667	45,667	21.17%
Chenchong Zhou	36,000	-	-	-	-	9,667	45,667	21.17%
TOTAL	456,673	-	3,809	20,235	-	87,001	567,718	15.32%

KMP INTEREST IN SECURITIES

Shareholdings of Key Management Personnel

30 JUNE 2022	Balance 1 July 2021	Issued	Received on option exercise	Net Change Other	Balance 30 June 2022
Directors					
Ian Mulholland	-	-		1,000,000	1,000,000
Qiu Derong	47,544,710	-	-	-	47,544,710
Simon Youds	4,172,864	-	-	-	4,172,864
	51,717,574	-	-	1,000,000	52,717,574

Option-holdings of Key Management Personnel

There were no options held by key management personnel at 30 June 2022 (30 June 2021: nil), nor were there any options granted, exercised or lapsed during the year ended 30 June 2022 (2021: nil).

Performance Rights of Key Management Personnel

Performance Rights are granted to incentivise KMP for increases in the Company's value as determined by the underlying market price of its shares, exploration results, and Company performance.

As at the date of this report, performance rights on issue were as follows:

Issue date	Expiry date	Exercise price	Number
16 September 2020	10 August 2025	Nil	9,000,000

The Performance Rights were valued on the date of grant with the following factors and assumptions used to determine their fair value:

Grant date	Period (years)	Share price on Grant Date	Measurement date	Probability	Valuation per right
11 August 2020	5	$0.029	21 May 2020	100%	$0.029

Vesting Conditions:

a. The volume weighted average price of the Shares as quoted on ASX exceeds $0.05 each day for a period of not less than 20 consecutive trading days on which the Shares have actually traded;

b. Gross Proceeds exceed $250,000 in any financial year; or

c. The discovery of an "Inferred Mineral resource" (as that term is defined in the Code) at the Blackwood Gold Project having a contained gold mass of at least 300,000 ounces at a cut-off grade of 2g/t.

The performance rights held be key management personnel as at the date of this report are:

30 JUNE 2022	Balance 1 July 2021	Issued	Can-celled/ Converted	Balance 30 June 2022	% Vested	% Unvested
Directors						
Simon Youds (i)	4,000,000	-	-	4,000,000	0%	100%
Jess Oram (ii)	2,000,000	-	-	2,000,000	0%	100%
Qiu Derong	1,000,000	-	-	1,000,000	0%	100%
Judy Li	1,000,000	-	-	1,000,000	0%	100%
Chenchong Zhou	1,000,000	-	-	1,000,000	0%	100%
	9,000,000	-	-	9,000,000	0%	100%

(i) Mr Simon Youds has resigned effective 7 September 2022. Pursuant to the terms and conditions under which they were issued, the performance rights are to be cancelled.

(ii) Mr Jess Oram has resigned effective 21 May 2022. Pursuant to the terms and conditions under which they were issued, the performance rights are to be cancelled.

KMP OTHER

Loans to Key Management Personnel

There were no loans to key management personnel during the year.

Other Transactions with Key Management Personnel

There were no other transactions with key management personnel that occurred during the year not described above.

End of Audited Remuneration Report.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year was mineral exploration.

There were no significant changes in the nature of the Group's principal activities during the financial year.

OPERATING RESULTS

The loss of the Group after providing for income tax amounted to $1,854,948 (30 June 2021: $669,504 loss).

REVIEW OF OPERATIONS

Cauldron has project interests in Western Australia (Yanrey Uranium Project and WA Sands Project and Victoria (Blackwood Gold Project) prospective for uranium, gold and sand, the locations of which are set out on the map below. Refer Operations Review on Pages 3 to 11.

BUSINESS STRATEGIES AND PROSPECTS FOR THE FORTHCOMING YEAR

The Company is involved in the mineral exploration industry.

The Yanrey Uranium Project and the Blackwood Gold Project will be the primary focus of cauldron's activity in the upcoming year.

The quantum of work that Cauldron will be able to undertake on the Yanrey Uranium Project will be largely dependent upon the Western Australian Mines Department. The Company is hopeful of a change in policy from the Western Australian State Labor government which is presently opposed to uranium mining.

In addition, Cauldron aims to progress its WA Sands Project through the sale of sand, crushed rock and a concrete-supply business, if demand is sufficient.

SIGNFICANT CHANGES IN STATE OF AFFAIRS

There have been no changes in the state of affairs of the Group other than those disclosed in the review of operations and those stated below.

September 2021 Placement

On 8 September 2021, Cauldron completed a private placement resulting in the issue of 35,294,118 shares at $0.034 (3.4 cents) per share each (Shares), raising a total of $1,200,000 before costs.

Participants in the Placement also received a free attaching option on a 1 for 2 basis exercisable at $0.05 (5.0 cents) with an expiry of 30 November 2023 (Unlisted Options), resulting in the issue of 17,647,059 unlisted options.

The Lead Manager received a placement fee of 6%, settled in cash.

March 2022 Placement

On 14 March 2022, Cauldron completed a private placement resulting in the issue of 44,117,647 shares at $0.017 (1.7 cents) per share each (Shares), raising a total of $750,000 before costs.

Participants in the Placement also received a free attaching option on a 1 for 3 basis exercisable at $0.034 (3.4 cents) with an expiry of 15 March 2024 (Unlisted Options), resulting in the issue of 14,705,882 unlisted options.

The Lead Manager received a placement fee of 6%, settled in cash, and an incentive fee of 10 million options on the same terms as participants in the placement.

In total, 44,117,647 Shares and 24,705,882 Unlisted Options were issued.

EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, except for the following.

Receipt of Loan of $500,000 from Director Qiu Derong

On 16 August 2022, Cauldron received $500,000 by way of a short term unsecured converting loan. The key terms of the loan facility are as follows:

Loan Amount: A$500,000

Interest Rate: 8% per annum

Default Interest Rate: 20% per annum

Term: 6 months

Repayment Terms: Repayable in cash or by the issue of fully paid ordinary shares at a price of 0.7 cents per share, subject to shareholder approval.

Under the terms of the loan agreement, the Company will commence preparations for a general meeting of shareholders at which shareholders will vote on the conversion of the new loan into shares at the price of 0.7 cents per share.

Resignation of Mr Simon Youds as a Director

On 7 September 2022, Mr Simon Youds resigned as a Director of the Company and as an executive.

Appointment of Mr Michael Fry as a Director

On 7 September 2022, Mr Michael Fry was appointed as a Director of the Company.

ENVIRONMENTAL ISSUES

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

SHARES UNDER OPTION

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number
23 December 2019	31 December 2021	($0.03)	6,833,398
16 September 2020	16 September 2023	($0.05)	6,000,000
6 November 2020	30 November 2023	($0.05)	43,354,839
8 November 2021	30 November 2023	($0.05)	17,647,059

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

During the financial year and up to and including the date of this report, nil ordinary shares were issued on the exercise of options.

CORPORATE GOVERNANCE

Throughout FY22, Cauldron's corporate governance arrangements were consistent with the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council (ASX Principles).

Cauldron's 2022 Corporate Governance Statement is available at http://cauldronenergy.com.au/ our-company/ corporate-governance/. The Corporate Governance Statement outlines details in relation to Cauldron's values, its Board, Board Committees, risk management framework and financial reporting, diversity and inclusion, key corporate governance policies and shareholder engagement. Cauldron's website also contains copies of Cauldron's Board and Committee Charters and key policies and documents referred to in the Corporate Governance Statement.

MEETINGS OF DIRECTORS

Due to the size of the Company, the Board of Directors performs the role of the Audit Committee and Remuneration Committee.

The number of meetings held during the year and the number of meetings attended by each Director whilst in office are:

Director	Directors' meetings	
	Held while in office	Attended
Ian Mulholland [1]	1	1
Simon Youds	3	3
Jess Oram [2]	2	2
Qiu Derong	3	3
Judy Li	3	3
Chenchong Zhou	3	3

1: appointed on 31 May 2022
2: resigned on 31 May 2022

Due to distance and differing time zones, and more recently the COVID-19 pandemic, Board matters have been resolved by way of circular resolution with the Board being kept abreast by management of developments within the business by regular written and verbal communications.

The Company does not have a formally constituted audit committee or remuneration committee as the board considers that the Company's size and type of operation do not warrant such committees.

INDEMNIFICATION AND INSURANCE OF OFFICERS

During the year the Company paid premiums in respect of a contract insuring all the directors and officers of the Company against liabilities incurred by the directors and officers that may arise from their position as directors or officers of the Company.

In accordance with normal commercial practice, the disclosure of the total amount of premiums under and the nature of the liabilities covered by the insurance contract is prohibited by a confidentiality clause in the contract.

Except for the above, the Company has not indemnified or made an agreement to indemnify any person who is or has been an officer or auditor of the Company against liabilities incurred as an officer or auditor of the Company.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2022 has been received and is included on page 16 of the annual report.

NON-AUDIT SERVICES

There were no non-audit services provided by the Company's auditor BDO Audit (WA) Pty Ltd.

This report of the Directors, incorporation the Remuneration Report is signed in accordance with a resolution of the Board of Directors.

Mr Ian Mulholland
Non-Executive Chairman
30 September 2022

AUDITOR'S INDEPENDENCE DECLARATION

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF CAULDRON ENERGY LIMITED

As lead auditor of Cauldron Energy Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Cauldron Energy Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth

30 September 2022

Annual Financial Report 2022

Annual Financial Report 2022 presented in the following pages.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	2022 $	2021 $
Continuing Operations			
Revenue	3 (a)	844	1
Other Income	3 (b)	1,396	92,550
Administration expenses		(158,023)	(77,029)
Employee benefits expenses		(347,919)	(384,254)
Directors' fees		(229,749)	(170,848)
Compliance and regulatory expenses		(95,290)	(116,888)
Consultancy expenses		(141,530)	(106,738)
Legal fees		(75,467)	(230,171)
Occupancy expenses		(115,343)	(35,045)
Travel expenses		(27)	-
Exploration expenditure		(2,443)	(285,655)
Net fair value gain/(loss) on financial assets	10	(333,263)	1,138,932
Depreciation and amortisation		(2,311)	(2,636)
Share based payments expense	23	(48,715)	(87,000)
Impairment losses	4	(307,108)	(404,724)
(Loss)/profit for the year before income tax		(1,854,948)	(669,504)
Income tax expense	7	-	-
(Loss)/profit for the year from continuing operations attributable to members of the Company		(1,854,948)	(669,504)
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		-	-
Total comprehensive (loss)/profit for the year attributable to members of the Company		(1,854,948)	(669,504)
(Loss)/profit per share			
Basic (loss)/profit per share (cents per share)	20	(0.37)	(0.16)
Diluted (loss)/profit per share (cents per share)	20	(0.37)	(0.16)

The above consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2022 $	2021 $
ASSETS			
Current assets			
Cash and cash equivalents	8	235,738	375,221
Trade and other receivables	9	77,800	77,951
Financial assets at fair value through profit or loss	10	359,560	1,517,787
Total current assets		673,098	1,970,959
Non-current assets			
Exploration and evaluation	12	3,614,106	2,243,619
Plant and equipment	13	8,000	2,311
Total non-current assets		3,622,106	2,245,930
Total assets		4,295,204	4,216,889
LIABILITIES			
Current liabilities			
Trade and other payables	14	1,087,481	956,863
Employee entitlements	15	22,052	101,121
Total current liabilities		1,109,533	1,057,984
Total liabilities		1,109,533	1,057,984
Net assets		3,185,671	3,158,905
Equity			
Issued capital	16	60,061,504	58,269,504
Reserves	17	5,218,950	5,129,235
Non-Controlling Interests		779,448	779,448
Accumulated losses	19	(62,874,231)	(61,019,282)
Total equity		3,185,671	3,158,905

The above consolidated statement of financial position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2022 $	2021 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,106,205)	(1,206,305)
Interest received		844	1
Grant received		9,886	1
Net cash flows used in operating activities	25 (a)	(1,095,475)	(1,206,304)
Cash flows from investing activities			
Purchase of plant and equipment		(8,000)	-
Payments for exploration and evaluation		(1,680,038)	(694,547)
Proceeds from sales of equity investments	10	811,030	279,761
Net cash flows (used in)/ investing activities		(877,008)	(898,453)
Cash flows from financing activities			
Proceeds from issue of shares	16	1,950,000	1,600,000
Share issue costs	16	(117,000)	-
Net cash flows (used in)/from investing activities		1,833,000	1,600,000
Net decrease in cash and cash equivalents		(139,483)	(21,090)
Effects of exchange rate changes on cash		-	-
Cash and cash equivalents at beginning of period		375,221	396,311
Cash and cash equivalents at end of period	8	235,738	375,221

The above statement of cash flows is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Accumulated Losses	Share Based Payment Reserve	Foreign Currency Translation Reserve	Non-Controlling Interests	Total Equity
	$	$	$	$	$	$
Balance at 1 July 2020	56,380,921	(60,349,778)	5,818,014	(1,614,458)	-	3,158,905
Loss attributable to members of the parent entity	-	(669,504)	-	-	-	(669,504)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive Loss for the year	-	(669,504)	-	-	-	(669,504)
Transactions with owners in their capacity as owners						
Acquisition of Blackwood Project	-	-	-	-	779,448	779,448
Performance rights	-	-	87,000	-	-	87,000
Shares issued during the period, net of costs	1,888,583	-	838,679	-	-	2,727,262
Balance at 30 June 2021	58,269,504	(61,019,282)	6,743,693	(1,614,458)	779,848	3,158,905
Balance at 1 July 2021	58,269,504	(61,019,282)	6,743,693	(1,614,458)	779,848	3,158,905
Loss attributable to members of the parent entity	-	(1,854,949)	-	-	-	(1,854,949)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive Loss for the year	-	(1,854,949)	-	-	-	(1,854,949)
Transactions with owners in their capacity as owners						
Performance rights	-	-	46,215	-	-	46,2150
Options	-	-	2,500	-	-	2,500
Shares issued during the period, net of costs	1,792,000	-	41,000	-	-	1,833,000
Balance at 30 June 2022	60,061,504	(62,874,231)	6,833,408	(1,614,458)	779,848	3,185,671

The above statement of changes in equity is to be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The financial report covers Cauldron Energy Limited ("Cauldron") and its controlled entities ("the Group") for the year ended 30 June 2022 and was authorised for issue in accordance with a resolution of the directors on 30 September 2022.

Cauldron is a public listed company, incorporated and domiciled in Australia.

Cauldron is a for-profit entity for the purposes of preparing these financial statements.

The financial report is a general purpose financial report that has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars.

b. Compliance with IFRS

The financial report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

c. Adoption of New and Revised Accounting Standards

New or amended Accounting Standards and Interpretations adopted

The Group has considered all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2022.

The Company is in the process of determining the impact of the above on its financial statements. The Company has not elected to early adopt any new Standards or Interpretations.

d. Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. A list of controlled entities is contained in note 21 to the financial statements.

All inter-group balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the Parent Entity.

(ii) Joint arrangements

Under AASB 11, Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations

Cauldron Energy Limited recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Non-Controlling Interests

The Group recognised non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net assets. This decision is made on an acquisition-by acquisition basis. For the non-controlling interests in the Blackwood Goldfield Project, the Group elected to recognise the non-controlling interests in at its proportionate share of the net assets acquired.

Control of Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and they are deconsolidated from the date that control ceases.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

e. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's companies is measured using the currency of the primary economic environment in which that company operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

f. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

(i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

(ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

g. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation

Cauldron Energy Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 1 July 2009.

h. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have an original maturity of three months or less.

i. Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

j. Property, Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a diminishing value basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The depreciation rates used for each class of depreciable assets for the 30 June 2022 year are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	33.3%
Office furniture and equipment	33.3%

Motor vehicle 33.3%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

k. Exploration and Evaluation Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

l. Impairment of Non-Financial Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

m. R&D Tax Incentive

Refundable tax incentives are accounted for as government grants under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance* because the directors consider this policy to provide more relevant information to meet the economic decision-making needs of users, and to make the financial statements more reliable. The Group has determined that these incentives are akin to government grants because they are not conditional upon earning taxable income.

n. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

o. Leases

At the inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use-asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight line over the term of the lease.

Initially the lease is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

The right-of-use-assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any indirect costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use-assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

o. Revenue Recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

p. Provisions and Employee Benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measures at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Provision for restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligation includes the costs of removing facilities, abandoning sites and restoring the affected areas.

Employee leave benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

q. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

r. Share based payments

Equity-settled share based payments are measured at fair value at the date of grant. Fair value is measured by use of the Black-Scholes options pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods and services received is recognised at the current fair value determined at each reporting date.

s. Critical accounting judgements, estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year are discussed below.

Exploration and evaluation costs

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in or relating to, the area of interest are continuing.

Asset Acquisition not Constituting a Business

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Group's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Income taxes

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax laws in the relevant jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

In addition, the Group has recognised deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same subsidiary against which the unused tax losses can be utilised. However, utilisation of the tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are recouped.

Performance Rights

Performance rights issued to Directors under the Performance Rights Plan are measured by reference to the fair value of the equity instruments at the date on which they were granted using share price of the Company on grant date.

Share-based payments recognised may require an estimation of reasonable expectations about achievement of future vesting conditions. Vesting conditions must be satisfied for the director to become entitled to receive ordinary shares.

Vesting conditions include services conditions, which require the director to complete a specified period of service, and performance conditions, which require the specified performance targets to be met.

The Company recognises a share-based payment expense amount for the services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and shall revise that estimate, if necessary, if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates. On vesting date, the Company shall revise the estimate to equal the number of equity instruments that ultimately vested.

The achievement of future vesting conditions is reassessed at each reporting period.

t. Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

u. Operating Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess their performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the board of directors.

Information about other business activities and operating segments that do not meet the quantitative criteria set out in AASB 8 "Operating Segments" are combined and disclosed in a separate category called "other."

v. Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

As at 30 June 2022, the Group had cash and cash equivalents of $235,738 and had negative net working capital of $436,435. The Group incurred a loss for the year ended 30 June 2022 of $1,854,948 (30 June 2021: $669,504 loss) and net cash outflows used in operating activities and investing activities totalling $1,095,475 (30 June 2021: $1,206,304).

The ability of the Group to continue as a going concern is dependent on the Group securing additional debt and/or equity funding to meet its working capital requirements in the next 12 months. These conditions indicate the existence of a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

At the date of this report, the directors are satisfied there are reasonable grounds to believe that the Group will be able to continue its planned operations and the Group will be able to meet its obligations as and when they fall due, for the following reasons:

- the Company has demonstrated its ability to raise funds through equity issues by way of share capital raising completed in September 2021 and March 2022 - refer Note 16;
- the Group holds a portfolio of investments valued at $359,560 at 30 June 2022, which may be sold to fund ongoing cash requirements of the Company;
- subsequent to year end, Cauldron received a short term loan facility of $500,000 from Director Derong Qiu to assist in funding its short term working capital requirements – refer Note 28; and
- the Directors are of the opinion that the use of the going concern basis of accounting is appropriate as they are confident in the ability of the Group to be successful in securing additional funds through further debt or equity issues as and when the need to raise working capital arises.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern and meet its debts as and when they become due and payable.

2. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. During the year, the Group operated in one business segment (for primary reporting) being mineral exploration and principally in two geographical segments (for secondary reporting) being Australia and Argentina.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the board of directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

Inter-segment loans payable and receivable are initially recognised as the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated to specific segments. Segment liabilities include trade and other payables and certain direct borrowings.

Other items

The following items of revenue, expense, assets and liabilities are not allocated to the Mineral Exploration segment as they are not considered part of the core operations of that segment:

- administration and other operating expenses not directly related to uranium exploration
- interest income
- interest expense
- subscription fun ds
- loans to other entities
- financial assets at fair value through profit or loss

Segment Information	Mineral Exploration		Other		Total	
	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$
Revenue						
Interest received	-	-	844	1	844	1
Other	-	-	1,396	34,080	1,396	34,080
Gain on disposal of financial assets	-	-	-	58,470	-	58,470
Total segment revenue and other income	-	-	2,240	92,551	2,240	92,551
Segment net operating profit/ (loss) after tax						
Segment net operating profit/ (loss) after tax includes the following significant items:						
Net fair value gain/(loss) on financial assets	-	-	(333,263)	1,138,932	(333,263)	1,138,932
Impairment of loans and receivables	-	-	-	(47,087)	-	(47,087)
Impairment of exploration assets	(307,108)	(357,637)	-	-	(307,108)	(357,637)
Depreciation	-	-	(2,311)	(2,636)	(2,311)	(2,636)
Employee benefits expense	-	-	(347,919)	(384,254)	(347,919)	(384,254)
Directors fees	-	-	(229,749)	(170,848)	(229,749)	(170,848)
Consultancy expenses	-	-	(141,530)	(106,738)	(141,530)	(106,738)
Legal fees	-	-	(75,467)	(230,171)	(75,467)	(230,171)
Tenement expenditure	(2,443)	(285,655)	-	-	(2,443)	(285,655)
Share based payments expense	-	-	(48,715)	(87,000)	(48,715)	(87,000)
Other expenses	-	-	(368,684)	(228,961)	(368,684)	(228,961)
Total segment net operating profit /(loss) after tax	(309,551)	(643,292)	(1,545,398)	(26,212)	(1,854,949)	(669,504)

Segment Information	Mineral Exploration		Other		Total	
	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$
Segment assets						
Segment assets include:						
Exploration assets	3,614,106	2,243,619	-	-	3,614,106	2,243,619
Financial assets	-	-	359,560	1,517,787	359,560	1,517,787
Other assets	-	-	321,538	455,483	321,538	455,483
	3,614,106	2,243,619	681,098	1,973,270	4,295,204	4,216,889
Segment liabilities	-	-	(1,109,533)	(1,057,985)	(1,109,533)	(1,057,984)
Segment net assets	3,614,106	2,243,619	(428,435)	915,285	3,185,671	3,158,905
Segment information by geographical region						
The analysis of the location of net assets is as follows:						
Australia					3,189,648	3,162,882
Argentina					(3,977)	(3,977)
					3,185,671	3,158,905

	2022	2021
	$	$

3. REVENUE AND OTHER INCOME

	2022	2021
(a) Revenue		
Interest received	844	1
Total revenue	844	1
(b) Other income		
Gain on disposal of financial assets at fair value through profit or loss	-	58,470
Grant received	9,886	34,080
Other	(8,490)	-
Total other income	1,396	92,550

4. IMPAIRMENT LOSSES

	2022	2021
Impairment of exploration and evaluation expenditure	307,108	357,637
Impairment of loans and receivables	-	47,087
Total impairment losses	307,108	404,724

5. REMUNERATION OF AUDITORS

Paid or payable to BDO (WA) Pty Ltd for:		
Audit and review of financial statements	37,923	35,923
Total auditor's remuneration	37,923	35,923

6. KEY MANAGEMENT PERSONNEL

Names and positions held of key management personnel in office at any time during the 2021/2022 financial year were:

Name	Position
Ian Mulholland	Non-Executive Director and Chairman
Simon Youds	Executive Director
Jess Oram	Non-Executive Director
Qiu Derong	Non-Executive Director
Judy Li	Non-Executive Director
Chenchong Zhou	Non-Executive Director

Refer to the Remuneration Report contained in the Directors' Report for details of the shares, rights and options held and remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2022.

Refer to Note 23 for share-based payments issued to Directors during the year.

7. INCOME TAX

	2022 $	2021 $
(a) The components of tax expense comprise:		
Current tax (expense)/benefit	-	-
Deferred tax (expense)/benefit	-	-
Total	**-**	**-**
(b) The prima facia tax (benefit)/expense on (loss)/profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Accounting (loss)/profit before tax	(1,854,948)	(669,504)
Total accounting (loss)/profit before tax	**(1,854,948)**	**(669,504)**
Prima facie income tax (expense)/benefit @ 30.0%	(556,485)	(200,851)
Tax effect of:		
Non-deductible expenses	48,772	33,035
Tax losses utilised	(336,731)	(219,989)
Deductible capitalised exploration costs	4,180	(17,541)
Realised capital (gain)/loss on investments	99,979	(341,680)
Unrealised capital (gain)/loss on investments	3,409	1,143

Non-assessable non-exempt foreign related expenditure	-	(1,800)
Section 40-880 deduction	-	(10,224)
Losses and other deferred tax balances not recognised during the period	736,876	757,907
Aggregate income tax expense	-	-

(c) Recognised deferred tax balances

Deferred tax balances have been recognised in respect of the following:

Deferred tax assets		
Employee entitlements	6,616	30,336
Other receivables	26,096	26,096
Other payables	193,419	126,334
Capital raising costs	-	-
Tax losses	5,801,250	5,295,505
Deferred tax assets not recognised	**(6,027,381)**	**(5,478,271)**
Total deferred tax assets	**-**	**-**
Deferred tax liabilities		
Exploration	428,864	219,989
Deferred tax liabilities not recognised	(428,864)	(219,989)
Total deferred tax liabilities	**-**	**-**
Net recognised deferred tax assets/(liabilities)	**-**	**-**

8. CASH AND CASH EQUIVALENTS

	2022 $	**2021 $**
Cash at bank and in hand	235,738	375,221
Cash and cash equivalents	**235,738**	**375,221**

Reconciliation to cash flow statement

For the purposes of the cash flow statement, cash and cash equivalents comprise the following at 30 June:

Cash at bank and in hand	235,738	375,221
Cash held in trust	-	-
Cash for reconciliation of cash flow statement	**235,738**	**375,221**

	2022 $	2021 $
9. TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	159,787	159,938
Prepayments	5,000	5,000
Allowance for expected credit losses (2021: Provision for impairment of receivables) (a)	(86,987)	(86,987)
Total current trade and other receivables	**77,800**	**77,951**
(a) Provision for non-recovery of trade receivables		
Balance at 1 July	(86,987)	(86,987)
Impairment of receivable	-	-
Balance at 30 June	**(86,987)**	**(86,987)**

Allowance for expected credit losses

The Group has recognised a loss of $nil, in profit or loss in respect of the expected credit losses for the year ended 30 June 2022 for its Trade and Other Receivables (30 June 2021: $nil).

Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

The following table details the Group's trade and other receivables exposure to credit risk with ageing analysis. Amounts are considered 'past due' when the debt has not been settled, with the terms and conditions agreed between the Group and the counter party to the transaction. Receivables that are past due are assessed for impairment is ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully recoverable by the Group.

Trading terms	Gross amount	Past due and impaired	Within initial trade terms
2022			
Trade receivables	159,787	86,987	72,800
2021			
Trade receivables	159,938	86,987	72,951

10. FINANCIAL ASSETS

	2022 $	2021 $
Financial assets at fair value through profit or loss (listed investments)	354,300	1,512,527
Financial assets at fair value through profit or loss (unlisted investments)	5,260	5,260
Total financial assets	**359,560**	**1,517,787**
Movements:		
Opening balance	1,517,787	600,146
Disposal of equity securities	(811,030)	(279,761)
Realised fair value gain/(loss) through profit or loss	(13,935)	58,470
Fair value gain/(loss) through profit or loss	(333,262)	1,138,932
Closing balance	**359,560**	**1,517,787**

Financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments. The fair value of listed investments is calculated with reference to current market prices at balance date.

11. LOANS RECEIVABLE

	2022 $	2021 $
Caudillo Resources SA (a)	1,406,771	1,406,771
Allowance for expected credit loss (a)	(1,406,771)	(1,406,771)
Total loan receivables	**-**	**-**

a) The Group's wholly owned subsidiary Jakaranda Minerals Limited ("Jakaranda") previously provided a draw-down facility ("First Loan") up to $650,000 to Caudillo Resources SA ("Caudillo"), which is included in this balance. The First Loan and interest (LIBOR + 2%) was required to be repaid in cash by 21 February 2013, or Jakaranda may elect to convert the First Loan into an 80% interest in the issued capital of Caudillo. At 30 June 2014, this draw-down facility had been utilised. The Group intends to elect to convert the First Loan into an 80% equity interest in Caudillo, and the execution of this is currently in the process of being completed.

The Group agreed to provide further draw-down facilities from Jakaranda to Caudillo for $650,000 and $150,000 respectively ("Second Loan" and "Third Loan"). The Second Loan and Third Loan and interest (LIBOR + 2%) is repayable, at the election of Caudillo, by way of:

(i) cash; or

(ii) subject to Caudillo and Jakaranda obtaining all necessary shareholder and regulatory approvals, the issue to Jakaranda of fully paid ordinary shares in the capital of Caudillo based on a deemed issue price per Caudillo share of 100 (Argentinean pesos).

Until such time as the First Loan, Second Loan and Third Loan are repaid or converted to an equity interest in Caudillo the Group has conservatively provided for the non-recovery of the loans in full. As a result of this, an impairment expense of Nil (30 June 2019: $Nil) has been recognised in the Statement of Profit or Loss and Other Comprehensive Income.

	2022 $	2021 $

12. EXPLORATION AND EVALUATION EXPENDITURE

	2022 $	2021 $
Exploration and evaluation expenditure	14,074,840	12,406,555
Exploration and evaluation expenditure - provision for impairment	(10,460,734)	(10,162,935)
Net carrying amount exploration and evaluation	**3,614,106**	**2,243,619**
Reconciliation of carrying amounts		
Balance at 1 July	2,243,619	-
Acquisition costs capitalised- Blackwood Gold Project (Note 16)	-	1,590,710
Exploration expenditure capitalised – Blackwood Gold Project	1,122,437	105,706
Acquisition costs capitalised- WA Sands Project	-	547,204
Exploration costs capitalised- WA Sands Project	248,050	-
Exploration expenditure incurred- Yanrey Uranium Project	307,108	357,637
Impairment of exploration expenditure - Yanrey Uranium Project	(307,108)	(357,637)
Balance at 30 June	**3,614,106**	**2,243,609**

13. PLANT AND EQUIPMENT

	2022 $	2021 $
At cost	44,793	36,793
Accumulated depreciation	(36,793)	(34,483)
Net carrying amount exploration and evaluation	**8,000**	**2,311**
Reconciliation of carrying amounts		
Balance at 1 July	2,311	4,947
Additions	8,000	-
Depreciation expense	(2,311)	(2,636)
Balance at 30 June	**8,000**	**2,311**

14. TRADE AND OTHER PAYABLES

	2022 $	2021 $
Trade payables	100,004	157,705
Other payables and accruals	987,478	799,158
Total trade and other payables	**1,087,482**	**956,863**

Trade payables are non-interest bearing and are normally settled on 30 day terms.

15. PROVISIONS

	2022 $	2021 $
Current		
Employee benefits	22,052	101,121
Total provisions	**22,052**	**101,121**

16. ISSUED CAPITAL

	2022 No. Shares	2021 No. Shares	2022 $	2021 $
Share capital				
Ordinary shares fully paid	**535,411,277**	**455,999,512**	**60,061,504**	**58,269,504**
Opening balance at 1 July	**455,999,512**	**376,289,835**	**58,269,504**	**56,380,921**
Project Acquisition - Blackwood	-	17,000,000	-	527,000
Project Acquisition – WA Sands	-	8,000,000	-	316,000
Share Placement	-	51,612,903		1,600,000
Share Placement – Lead Manager	-	3,096,774	-	96,000
Share Placement – Sep 2021	35,294,118	-	1,200,000	-
Share Placement – Mar 2022	44,117,647	-	750,000	-
Share issue costs – placement fees	-	-	(117,000)	(96,000)
Share issue costs – value of options granted (Note 17)	-	-	(41,000)	(554,417)
Closing balance at 30 June	**535,411,277**	**455,999,512**	**60,061,504**	**58,269,504**

Terms and Conditions

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at shareholder meetings. In the event of winding up, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

Capital risk management

Capital managed by the Board includes shareholder equity, which was $60,061,504 at 30 June 2022 (2021: $58,269,504). The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns to shareholders and benefits to other stakeholders. The Company's capital includes ordinary share capital and financial liabilities, supported by financial assets.

Due to the nature of the Group's activities, being mineral exploration, it does not have ready access to credit facilities, with the primary source of funding being equity raisings. Accordingly, the objective of the Group's capital risk management is to balance the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads.

	2022 $	2021 $

17. RESERVES

	2022 $	2021 $
Reserves		
Share based payment reserve (a)	6,833,409	6,743,694
Foreign currency translation reserve (b)	(1,614,459)	(1,614,459)
Total reserves	**5,218,950**	**5,129,235**
(a) Share based payment reserve		
Reserve balance at beginning of year	6,743,694	5,818,015
Performance rights – allocation of value	46,215	87,000
Options issued to vendor of Blackwood Gold Project	-	284,262
Options issued as part of November 2020 Placement	-	554,417
Options issued as part of March 2022 Placement	41,000	-
Options issued to KMP – refer Note 23	2,500	-
Reserve balance at end of year	**6,833,409**	**6,743,694**
(b) Foreign currency translation reserve		
Reserve balance at beginning of year	(1,614,459)	(1,614,459)
Foreign currency exchange differences arising on translation of foreign operations	-	-
Reserve balance at end of year	**(1,614,459)**	**(1,614,459)**

Exchange differences relating to the translation from the functional currencies of the Group's foreign controlled entities into Australian dollars are recognised directly in the foreign currency translation reserve.

18. OPTIONS OVER UNISSUED SHARES

Unissued ordinary shares of the Company under option at 30 June 2022 were:

Grant date	Expiry date	Exercise price	Number
16 September 2020	16 September 2022	(0.03)	10,000,000
16 September 2020	16 September 2023	(0.05)	6,000,000
6 November 2020	30 November 2023	(0.05)	43,354,839
8 November 2020	30 November 2023	(0.05)	17,647,059
			77,001,898

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

During the financial year and up to and including the date of this report, nil ordinary shares were issued on the exercise of options.

	2022 $	2021 $

19. ACCUMULATED LOSSES

Accumulated Losses	**(62,874,231)**	**(61,019,282)**
Accumulated losses at 1 July	(61,019,282)	(60,349,778)
Net (loss)/profit attributable to members	(1,854,948)	(669,504)
Balance at 30 June	**(62,874,231)**	**(61,019,282)**

20. EARNINGS/(LOSS) PER SHARE

(a) (Loss)/Profit used in calculating (loss)/earnings per share		
Net loss from continuing operations attributable to ordinary equity holders of the parent	(1,854,948)	(669,504)
Net loss attributable to ordinary equity holders of the parent for basic earnings	**(1,854,948)**	**(669,504)**

(b) Weighted average number of shares outstanding during the year used in the calculation of:	**No.**	**No.**
Basic earnings/(loss) per share	**497,578,884**	**428,515,023**
Diluted earnings/(loss) per share	**497,578,884**	**428,515,023**
	Cents per share	**Cents per share**
Basic earnings/(loss) per share		
Continuing operations	(0.37)	(0.16)
Diluted earnings/(loss) per share		
Continuing operations	(0.37)	(0.16)

21. CONTROLLED ENTITIES

Details of Cauldron Energy Limited's subsidiaries are:

Name	Country of Incorporation	Date/Company of Incorporation	Shares	Ownership Interest		Investment Carrying Amount	
				2022 %	2021 %	2022 $	2021 $
Ronin Energy Ltd	Australia	24 April 2006	Ord	100	100	5	5
Raven Minerals Ltd *	Australia	24 April 2006	Ord	-	100	-	5
Cauldron Energy (Bermuda) Limited	Bermuda	2 February 2012	Ord	100	100	1	1
Cauldron Energy (SL) Limited	Sierra Leone	12 March 2012	Ord	100	100	1	1
Blackwood Goldfield Joint Venture Pty Ltd	Australia	3 April 2020	Ord	51	51	2	2
Anthill Concrete Pty Ltd	Australia	15 April 2021	Ord	100	100	2	2
Total Investment						18	18

*de-registered during the year ended 30 June 2022

22. RELATED PARTY INFORMATION

Balances between the company and its subsidiaries which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note. Note 21 provides information about the Group's structure including the details of the subsidiaries and the percentage held in each subsidiary by the holding company.

Loans with Related Parties

There were no loans made to Cauldron Energy Limited by directors and entities related to them during the year ended 30 June 2022 (30 June 2021: nil).

Subsequent to year end, on 16 August 2022, Cauldron received a loan of $500,000 from Director Qiu Derong by way of a short term unsecured converting loan. Refer Note 28 for further information.

The ultimate parent

The ultimate parent of the Group is Cauldron Energy Limited which is based in and listed in Australia.

Significant shareholders

Qiu Derong holds a significant interest of 8.84% in the issued capital of Cauldron Energy at 30 June 2022 (30 June 2021: 12.64%). Mr Qiu Derong is a director of Cauldron.

Compensation of Key Management Personnel of the Group

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel ("KMP") for the year ended 30 June 2022.

	2022	**2021**
	$	**$**
The key management personnel compensation comprised of:		
Short term employment benefits	462,603	456,673
Long term employment benefits	-	3,809
Post-employment benefits	983	20,235
Share-based payments	48,715	87,001
Total key management personnel remuneration	**512,302**	**567,718**

23. SHARE BASED PAYMENTS

The fair value of options and performance rights granted to directors and employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employee becomes unconditionally entitled to the rights or options, from the grant date. The amount recognised as an expense is adjusted to reflect the actual number of share options or performance rights that vest, except for those that fail to vest due to their conditions not being met.

Performance Rights

The following Performance Rights were issued to Directors in the financial year ended 30 June 2020:

Issue date	Expiry date	Exercise price	Number	Valuation per right	Value
16 September 2020	10 August 2025	Nil	9,000,000	$0.029	$261,000

Vesting Conditions attaching to Performance Rights:

d. The volume weighted average price of the Shares as quoted on ASX exceeds $0.05 each day for a period of not less than 20 consecutive trading days on which the Shares have actually traded;

e. Gross Proceeds exceed $250,000 in any financial year; or

f. The discovery of an "Inferred Mineral resource" (as that term is defined in the Code) at the Blackwood Gold Project having a contained gold mass of at least 300,000 ounces at a cut-off grade of 2g/t.

Pursuant to AASB 2: Share Based Payments, a share based payments expense was required to be recognised with effect from the date the Board of Directors resolved to issue the performance rights (i.e. 21 May 2020) over the period to vesting (i.e. until 10 August 2025). Where a holder is no longer eligible due to their no longer being a Director, as in the case of Jess Oram who resigned on 31 May 2022, AASB 2 requires that the cost previously recognised be reversed. The effect is to recognise a share based payments expense in the year ended 30 June 2022 of $46,215 (2021: $87,000).

Management has assessed the likelihood of the vesting conditions being met for the remaining Performance Rights at 100%.

The share based expenses recognised in accordance with the requirements of AASB 2 are as follows:

	Number of Rights	Total fair value	Expensed FY20	Expensed FY21	Expensed FY22	To be expensed FY23	Total To be expensed
Simon Youds	4,000,000	$116,000	$4,237	$38,666	$38,667	$34,430	$116,000
Derong Qui	1,000,000	$29,000	$1,060	$9,667	$9,667	$8,606	$29,000
Judy Li	1,000,000	$29,000	$1,060	$9,667	$9,667	$8,606	$29,000
Chengchong Zhou	1,000,000	$29,000	$1,059	$9,667	$9,667	$8,607	$29,000
Sub-Total	7,000,000	$203,000	$7,416	$67,667	$67,668	$60,249	$203,000
Jess Oram	2,000,000	$58,000	$2,118	$19,333	($21,452)	-	-
Total	9,000,000	$261,000	$9,534	$87,000	$46,215	$60,249	$203,000

Options

The fair value of options granted to directors and employees is recognised as a share-based payments expense, with a corresponding increase in the share based payments reserve, over the period that the employee becomes unconditionally entitled to the rights or options, from the grant date.

The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, except for those that fail to vest due to their conditions not being met.

In May 2022, 5,000,000 options were resolved to be issued, subject to shareholder approval, to Director Ian Mulholland on his appointment as a Director and Chairman. As at 30 June 2022, management have the assessed the probability of shareholders approving the issue of the options to Ian Mulholland at 100% and have accordingly commenced recognition of a share based payment expense over the vesting periods from his appointment. Total expense arising from the options recognised during the year ended 30 June 2022 has been calculated as $2,500 determined as follows:

	Number of Options	Fair Value per Option	Total fair value	Expensed FY22	To be expensed FY23	To be expensed FY24	Total To be expensed
Ian Mulholland	5,000,000	$0.008	$40,000	$2,500	$28,333	$9,167	$40,000

The fair value of the equity-settled share options issued to Ian Mulholland were estimated as at the date of the grant using the Black and Scholes valuation method taking into account the terms and conditions upon which the options were granted, as follows:

	Assumption
Dividend yield	0.00%
Expected volatility	100%
Risk-free interest rate	2.97%
Expected life of options	3 years
Share price	$0.014
Exercise price	$0.020
Value per Option	$0.008

24. COMMITMENTS

Office Rental Commitments

The Company entered into a lease on 9 March 2020 for office premises located at Unit 47, 1008 Wellington Street, West Perth, for an initial term of 2 years expiring 9 March 2022, and has been continuing on a month to month basis post the initial expiry date. Subsequent to year end, the lease property has been sold and Cauldron has until 30 November 2022 to vacate.

	2022	2021
	$	$
Within one year	12,500	20,795
Between one and five years	-	-
Longer than five years	-	-
Total commitments	12,500	20,795

Exploration Expenditure Commitments

The minimum exploration expenditure commitments inclusive of rents and rates outstanding at 30 June 2022 in relation to the Company's licenced tenements were as follows:

Within one year	497,441	597,204
Between one and five years	-	-
Longer than five years	-	-
Total commitments	497,441	597,204

25. CASH FLOW INFORMATION

	2022 $	2021 $
(a) Reconciliation of cash flows from continuing operations with profit/(loss) from ordinary activities after income tax		
(Loss)/profit from continuing operations	(1,854,948)	(669,504)
Non-cash items:		
Depreciation	2,311	2,636
Share based payments	48,715	87,000
Net fair value loss/(gain) on financial assets	333,263	(1,138,932)
Fair value loss/(gain) on disposal of shares	(13,934)	58,470
Impairment losses	307,108	404,724
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	151	(51,389)
Increase in trade and other creditors	160,928	92,327
Increase/(decrease) in provisions	(79,069)	8,366
Net cash flows used in operating activities	(1,095,475)	(1,206,304)

(b) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

Cash at bank and in hand	235,738	396,311
Cash for reconciliation of cash flow statement	235,738	396,311

(c) Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

· Options issued to brokers in part payment of placement fees (refer Note 16)

26. FINANCIAL RISK MANAGEMENT

Financial risk management

The Group's financial instruments consist mainly of deposits with banks, trade and other receivable, loan receivables, trade and other payables and shares in listed and unlisted companies.

The Group does not speculate in the trading of derivative instruments.

The totals for each category of financial instruments, measured in accordance with AASB 9 are:

	2022	2021
	$	$
Financial assets		
Cash and cash equivalents (note 8)	235,738	375,221
Financial assets at fair value through profit or loss (listed investments) (note 10)	354,300	1,512,527
Financial assets at fair value through profit or loss (unlisted investments) (note 10)	5,260	5,260
Trade and other receivables (note 9)	77,800	77,951
Total Financial Assets	673,098	1,970,959
Financial liabilities		
Trade and other payables (note 14)	1,087,482	956,863
Total financial liabilities	1,087,482	956,863

Financial risk management policies

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit rate risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and aging analysis for credit risk. Risk management is carried out by the Board and they provide written principles for overall risk management.

Financial risk exposures and management

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and equity price risk.

(a) Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Given the few transactions the Board does not consider there to be a need for policies to hedge against foreign currency risk. The Group's has no significant exposure to foreign currency risk as at the reporting date.

(b) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. Cash and cash equivalents on deposit at variable rates expose the Group to cash flow interest rate risk. The Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

The effect on profit/(loss) and equity as a result of changes in the interest rate:

	2022	2021
	$	$
Change in loss:		
Increase in interest rate by 200 basis points	1	7,533
Decrease in interest rate by 200 basis points	(1)	(7,533)

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

(c) Equity Securities Price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the statement of financial position as current financial assets at fair value through profit or loss. The Group is not exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio which is done in accordance with the limits set by the Group. The majority of the Group's equity investments are publicly traded on the ASX.

The table below summarises the impact of increases/decreases of the index on the Group's post tax profit/(loss) for the year and on equity. The analysis is based on the assumption that the equity indexes had increased/decreased by 20% (2021 – 20%) with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index.

	Impact on Post-Tax Profit or (Loss)	
	2022	2021
	$	$
Index		
ASX listed	71,912	302,505

(d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for expected credit loss of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings:

	2022	2021
	$	$
Financial assets		
Cash and cash equivalents (note 8)	235,738	375,221
Trade and other receivables (note 9)	77,800	77,951
Total Financial Assets	**313,538**	**453,172**

(e) Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Financial instrument composition and maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

Maturity analysis	**Within 1 Year**	**1 to 5 Years**	**Over 5 Years**	**Total**
	$	$	$	$
Year ended 30 June 2022				
Financial Assets				
Cash and cash equivalents (note 8)	235,738	-	-	235,738
Financial assets at fair value through profit or loss (note 10)	359,560	-	-	359,560
Receivables and loans (note 9 and 11)	77,800	-	-	77,800
Total financial assets	**673,098**	**-**	**-**	**673,098**
Financial liabilities				
Trade and other payables (note 14)	1,087,482	-	-	1,087,482

Maturity analysis	Within 1 Year $	1 to 5 Years $	Over 5 Years $	Total $
Total financial liabilities	**1,087,482**	**-**	**-**	**1,087,482**
Net maturity	**(414,384)**	**-**	**-**	**(414,384)**

Maturity analysis	Within 1 Year $	1 to 5 Years $	Over 5 Years $	Total $
Year ended 30 June 2021				
Financial Assets				
Cash and cash equivalents (note 8)	375,221	-	-	375,221
Financial assets at fair value through profit or loss (note 10)	1,517,787	-	-	1,517,787
Receivables and loans (note 9 and 11)	77,951	-	-	77,951
Total financial assets	**1,970,959**	**-**	**-**	**1,970,959**
Financial liabilities				
Trade and other payables (note 14)	956,863	-	-	956,863
Total financial liabilities	**956,863**	**-**	**-**	**956,863**
Net maturity	**1,014,096**	**-**	**-**	**1,014,096**

(f) Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values as the carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements.

The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Year ended 30 June 2022				
Financial Assets:				
Financial assets at fair value through profit or loss (note 10)	359,560	-	-	359,560
Year ended 30 June 2021				
Financial Assets:				
Financial assets at fair value through profit or loss (note 10)	1,517,787	-	-	1,517,787

27. CONTIGENT ASSETS AND LIABILITIES

The Group has no contingent liabilities or assets at 30 June 2022 (30 June 2021: nil), except in relation to the following legal matters:

Legal Claim – Outstanding Lease Rental Obligations

A Writ of Summons was filed on 28 February 2022 against Cauldron in the District Court of Western Australia by Cyclone Metals Limited (formerly Cape Lambert Resources Limited) claiming loss and damages of $140,012.41 for unpaid rent.

The claim relates to a tenancy sub-lease agreement in respect of the Company's former premise at 32 Harrogate Street, West Leederville, Western Australia, 6007. The Company is defending the action. As at the date of this report, the matter has yet to be heard.

Sand Mining Licence M08/487

Cauldron is a defendant in matter seeking to prevent the transfer of Sand Mining Licence M08/487 to Cauldron. The initial judgement was in favour of Cauldron and its co-defendants. The applicant sought leave to appeal the judgement and that hearing will take place in early October 2022. Whoever is successful will be entitled to costs. Cauldron has incurred approximately $182,000 on the matter to date and it is expected that if the Court of Appeal upholds the earlier decision Cauldron will be entitled to recover a substantial portion of its costs.

28. EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, except for the following.

Receipt of Loan of $500,000 from Director Qiu Derong

On 16 August 2022, Cauldron received $500,000 from Director Qiu Derong by way of a short term unsecured converting loan. The key terms of the loan facility are as follows:

Loan Amount: A$500,000

Interest Rate: 8% per annum

Default Interest Rate: 20% per annum

Term: 6 months

Repayment Terms: Repayable in cash or by the issue of fully paid ordinary shares at a price of 0.7 cents per share, subject to shareholder approval.

Under the terms of the loan agreement, the Company will convene a general meeting of shareholders at which shareholders will vote on the conversion of the new loan into shares at the price of 0.7 cents per share.

Resignation of Mr Simon Youds as a Director

On 7 September 2022, Mr Simon Youds resigned as a Director of the Company and as an executive.

Appointment of Mr Michael Fry as a Director

On 7 September 2022, Mr Michael Fry was appointed as a Director of the Company.

29. PARENT ENTITY DISCLOSURES

	2022 $	2021 $
Financial Position		
Assets		
Current assets	313,549	380,712
Non-current assets	3,194,228	3,022,280
Total assets	**3,507,777**	**3,402,992**
Liabilities		
Current liabilities	1,055,986	978,118
Total liabilities	**1,055,986**	**978,118**
Net assets	**2,451,791**	**2,424,874**
Equity		
Issued capital	60,061,504	58,269,504
Accumulated loss	(64,471,872)	(62,578,159)
Option premium reserve	6,862,159	6,734,159
Total equity	**2,451,791**	**2,424,874**
Financial Performance		
(Loss)/profit of parent entity	(1,900,668)	(622,417)
Total comprehensive (loss)/profit of the parent entity	(1,900,668)	(622,417)

Loans to Controlled Entities

Loans are provided by the Parent Entity to its controlled entities for their respective operating activities. Amounts receivable from controlled entities are non-interest bearing with no fixed term of repayment. The eventual recovery of the loan will be dependent upon the successful commercial application of these projects or the sale to third parties. Details of loans provided are listed below:

	2022	2021
	$	$
Subsidiaries		
Ronin Energy Ltd	-	23,329
Cauldron Minerals Ltd	-	8,900,347
Jakaranda Minerals Ltd	-	1,411,055
Raven Minerals Ltd	-	25,775
Anthill Concrete Ltd	80,728	7,585
Total value of loans provided to subsidiaries	**80,728**	**10,368,091**

Commitments

The commitments of the Parent Entity are consistent with the Group (refer to note 24).

Contingent Liabilities and Assets

The contingent liabilities and assets of the Parent Entity are consistent with those of the Group, refer Note 27.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Cauldron Energy Limited, I state that:

1. In the opinion of the directors:

(a) the financial statements and notes set out on pages 17 to 48 and the Directors' Report are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

2. The Directors draw attention to Note 1 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

3. The Directors have been given the declarations by the chief executive officer and chief financial officer for the year ended 30 June 2022 required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors.

Mr Ian Mulholland
Chairman
30 September 2022

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INDEPENDENT AUDITOR'S REPORT

To the members of Cauldron Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cauldron Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of exploration and evaluation expenditure

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 12 to the financial report, the carrying value of capitalised exploration and evaluation expenditure represents a significant asset of the Group. In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources* (AASB 6), the recoverability of exploration and evaluation expenditure requires significant judgment by management in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Company and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Company's exploration budgets, ASX announcements and directors' minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 12 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 7 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Cauldron Energy Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

J Prue

Jarrad Prue

Director

Perth

30 September 2022

ADDITIONAL INFORMATION

Additional information required by ASX Listing Rules and not shown elsewhere in the report is set out below. The information is current as of 19 October 2022.

1. CORPORATE GOVERNANCE

The Company's Corporate Governance Statement is available on the corporate governance page on the Company's website at *http://cauldronenergy.com.au/our-company/corporate-governance/*.

2. SHAREHOLDING AS AT 19 OCTOBER 2022

Cumulative number of fully paid ordinary shares on issue **535,411,277**

3. SUBSTANTIAL HOLDERS AS AT 19 OCTOBER 2022

The names of the substantial shareholders listed in the Company's register as at 19 October 2022 were:

Shareholder	Number of shares held
Mr Derong Qiu	47,544,710
Joseph Energy (Hong Kong) Limited	41,205,500
Starry World Investment Ltd	33,898,318
Sky Shiner Investment Ltd	31,400,000
Yidi Tao	31,250,000
Dekang Qiu	30,000,000

4. DISTRIBUTION OF EQUITY SECURITIES AS AT 19 OCTOBER 2022

The distribution of members and their holdings of securities in the Company as at 19 October 2022 were as follows:

Range	Number of shareholders	Fully Paid Ordinary Shares
1 - 1,000	189	80,940
1,001 - 5,000	385	1,002,495
5,001 - 10,000	226	1,816,257
10,001 - 100,000	632	26,017,953
100,001 and over	354	506,493,632
TOTAL	**1,786**	**535,411,277**

5. UN-MARKETABLE PARCELS AS AT 19 OCTOBER 2022

As at 19 October 2022, there were 1,197 holders (each holding 45,545 or less fully paid ordinary shares) or less than a marketable parcel of ordinary shares, based upon the closing share price on 19 October 2022 of $0.011. In cumulative, the number of shares held by holders of unmarketable parcels totalled 12,092,653.

6. UN-QUOTED SECURITIES AS AT 19 OCTOBER 2022

Class	Exercise Price	Issue Date	Expiry Date	No. of Securities	No. of Holders	Name (where holder >20%)	Number held (%)
Options	$0.05	16-Sep-20	16-Sep-23	6,000,000	10	Stuart McDougall	1,205,136 (20%)
Options	$0.05	6-Nov-20, 8-Sep-21	30-Nov-23	61,001,898	121		
Options	$0.034	18-Mar-22	15-Mar-24	24,705,882	32	Atlantic Capital Holdings Pty Ltd	10,000,000 (40%)
Rights	$0.00	16-Sep-20	16-Sep-23	9,000,000	6	Simon Youds Jess Oram	4,000,000 (44%) 2,000,000 (22%)

7. TWENTY LARGEST SHAREHOLDERS AS AT 19 OCTOBER 2022

The names of the twenty largest holders of ordinary fully paid shares at 19 October 2022 are:

Name	Number of ordinary shares held	% of issued shares
Mr Derong Qiu	47,544,710	8.88%
Joseph Energy (Hong Kong) Limited	41,205,500	7.70%
Starry World Investment Ltd	33,898,318	6.33%
Sky Shiner Investment Ltd	31,400,000	5.86%
Yidi Tao	31,250,000	5.84%
Dekang Qiu	30,000,000	5.60%
Dempsey Resources Pty Ltd	25,186,036	4.70%
BNP Paribas Nominees Pty Ltd	18,963,959	3.54%
Citicorp Nominees Pty Ltd	17,414,277	3.25%
Regent Point Pty Ltd <Slater Family Account>	8,000,000	1.49%
Anthony Keith Avotins	6,959,811	1.30%
Granborough Pty Ltd <AJ & J King S/F A/c>	6,000,000	1.12%
Doone Lee McDougall	5,367,271	1.00%
BNP Paribas Nominees Pty Ltd ACF Clearstream	5,124,159	0.96%
CALM Holdings Pty Ltd	5,000,000	0.93%
Dugal McDougall	4,323,387	0.81%
HSBC Custody Nominees	4,297,206	0.80%
M & K Korkidas Pty Ltd	4,270,000	0.80%
Capeline Nominees Pty Ltd	4,172,864	0.78%
Syed Mushleh Uddin	3,893,986	0.73%
	334,271,484	**62.42%**

ADDITIONAL INFORMATION

8. VOTING RIGHTS

Ordinary Shares:

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

Options:

Holders of options do not have a right to vote.

9. RESTRICTED SECURITIES

The Company has no restricted securities on issue.

10. INTERESTS IN TENEMENTS

TENEMENT REFERENCE	Project & Location	Interest
E08/1489	YANREY – WESTERN AUSTRALIA	100%
E08/1490	YANREY – WESTERN AUSTRALIA	100%
E08/1493	YANREY – WESTERN AUSTRALIA	100%
E08/1501	YANREY – WESTERN AUSTRALIA	100%
E08/2017	YANREY – WESTERN AUSTRALIA	100%
E08/2081	YANREY – WESTERN AUSTRALIA	100%
E08/2205	YANREY – WESTERN AUSTRALIA	100%
E08/2385	YANREY – WESTERN AUSTRALIA	100%
E08/2386	YANREY – WESTERN AUSTRALIA	100%
E08/2387	YANREY – WESTERN AUSTRALIA	100%
E08/2774	YANREY – WESTERN AUSTRALIA	100%
E08/3088	YANREY – WESTERN AUSTRALIA	100%
EL5479	BLACKWOOD – VICTORIA	51%
E08/2328	ONSLOW – WESTERN AUSTRALIA	100%
E08/2329	ONSLOW – WESTERN AUSTRALIA	100%
E08/2462	ONSLOW – WESTERN AUSTRALIA	100%
L08/71	ONSLOW – WESTERN AUSTRALIA	100%
M09/96	ONSLOW – WESTERN AUSTRALIA	100%
M08/487	ONSLOW – WESTERN AUSTRALIA	100%*
E09/2715	Carnarvon – Western Australia	100%
M09/180	Carnarvon – Western Australia	100%*
E04/2548	Derby – Western Australia	100%*
P08/798	Onslow – Western Australia	100%
P08/800	Onslow – Western Australia	100%
E08/3520	Yanrey – Western Australia	100%
E08/3521	Yanrey – Western Australia	100%

* beneficial interest

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SAND

River Sands Projects | Gascoyne River, Ashburton River and Fitzroy River

cauldron
energy

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