

Quarterly Report Period Ending 31 December 2022

HIGHLIGHTS

Placement and Rights Issue Completed

- The Company completed a placement and rights issue during December 2022 issuing a total of 324,023,714 new Shares each at \$0.007 and raising \$2,268,166 (before costs).
- The Placement and Rights Issue were managed by Canaccord Genuity.

Appointment of Chief Executive Officer

- Jonathan Fisher was appointed as the Company's Chief Executive officer on 1 December 2022.
- The appointment of Jonathan Fisher as CEO in December 2022 and Ian Mulholland as Chairman in June 2022 represents a refresh of the Company's senior personnel, as the Company looks to re-focus and achieve a turnaround in the Company's performance.

Blackwood Gold Project

- PAC Partners were appointed as strategic and corporate advisers to the Blackwood Gold project aimed at ensuring Cauldron maximises its return from the project.

Yanrey Uranium Project

- The Bennett Well deposit contains **greater than 30 million lb of uranium oxide** and remains **one of the largest** undeveloped uranium deposits in Australia
- The Company is currently planning a drill program to be undertaken during the second quarter of CY23 (subject to DMIRS approval) to follow up high grade targets identified in previous work programs with the overall aim of increasing its resources and progressing the project towards eventual development and production.
- The Company considers the Yanrey asset to be an attractive and valuable uranium asset that compares favourably amongst future potential sources of uranium globally; and hence provides significant opportunity should the current WA Government policy be amended or reversed back to its pre 2017 position.

Sands Project

- The Company is in the midst of undertaking a strategic review in relation to its WA Sands project, that has identified significant opportunity for sale of bulk sand into overseas markets from its numerous tenements (which are located at the river mouths of the Fitzroy, Ashburton River and Gascoyne rivers in WA). The Company will provide updates as the strategic review progresses and as key matters arise.

Corporate

- Cash on hand at the end of the quarter was \$1.838 million, with liquid assets (shares in other companies) valued at \$0.443 million.

Cauldron Energy Ltd (**Cauldron** or the **Company**) is pleased to present its Quarterly Activities Report for the period ended 31 December 2022.

EXPLORATION ACTIVITIES: AUSTRALIA

In Australia, Cauldron's primary focus is its Yanrey Project (**Yanrey**) consisting of 12 granted exploration licences for a total project area of 1,270 km² in Western Australia. Yanrey is prospective for large sedimentary-hosted uranium deposits and is host to the Bennet Well Uranium Deposit (**Bennet Well**).

In addition, Cauldron has a 100% ownership interest in a number of river sand leases ("WA Sands Project") located at the mouths of the Gascoyne (Carnarvon), Ashburton (Onslow) and Fitzroy (Derby) rivers in Western Australia, collectively covering an area of about 286 km².

Lastly, 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 and Bendigo.

YANREY URANIUM PROJECT

The Yanrey Project comprises a collection of 12 exploration tenements in northwest Western Australia (**Figure 1**), and is regionally prospective for large sedimentary-hosted uranium deposit systems that are amenable to mining by the In Situ Recovery (ISR) technique. The uranium mineralisation within the Yanrey Project typically occurs in unconsolidated sands (less than 100m depth) in Cretaceous sedimentary units of the North Carnarvon Basin.

The Yanrey Uranium Project is host to the Bennett Well Uranium Deposit which comprises four spatially separate deposits; namely Bennet Well East, Bennet Well Central, Bennet Well South and Bennet Well Channel (**Figures 2** and **Figure 3**).

A Mineral Resource (JORC 2012) for the Bennet Well deposit was completed by Ravensgate Mining Industry Consultants (Ravensgate) in 2015.

At a 150 ppm eU₃O₈ cut-off the Bennett Well JORC 2012 Mineral Resource Estimate is:

Inferred:	16.9 Mt @ 335 ppm eU ₃ O ₈ for 12.5 Mlb (5,670 t) contained uranium oxide
Indicated:	21.9 Mt @ 375 ppm eU ₃ O ₈ for 18.1 Mlb (8,230 t) contained uranium oxide

TOTAL: 38.9 Mt @ 360 ppm eU₃O₈ for 30.9 Mlb (13,900 t) contained uranium oxide

Historical work performed by Cauldron reinforces the Yanrey region as an emerging uranium province, containing potentially significant, as-yet undiscovered, economic uranium resources.

Work Completed During Reporting Period

No on-the-ground activities were conducted during the current quarter.

A restriction on uranium mining in Western Australia was put in place by the McGowan Labor Government in June 2017.

Future Proposed Work Program

The Company will aim to finalise plans for a drill program (subject to Western Australian DMIRS approval) targeted to take place around the second quarter of this calendar year which will aim to follow up high-grade targets from historical work. In addition, the Company will continue to review the data that has been collected on Bennet Well, including metallurgical test-work, to assess ways of progressing the project towards development.

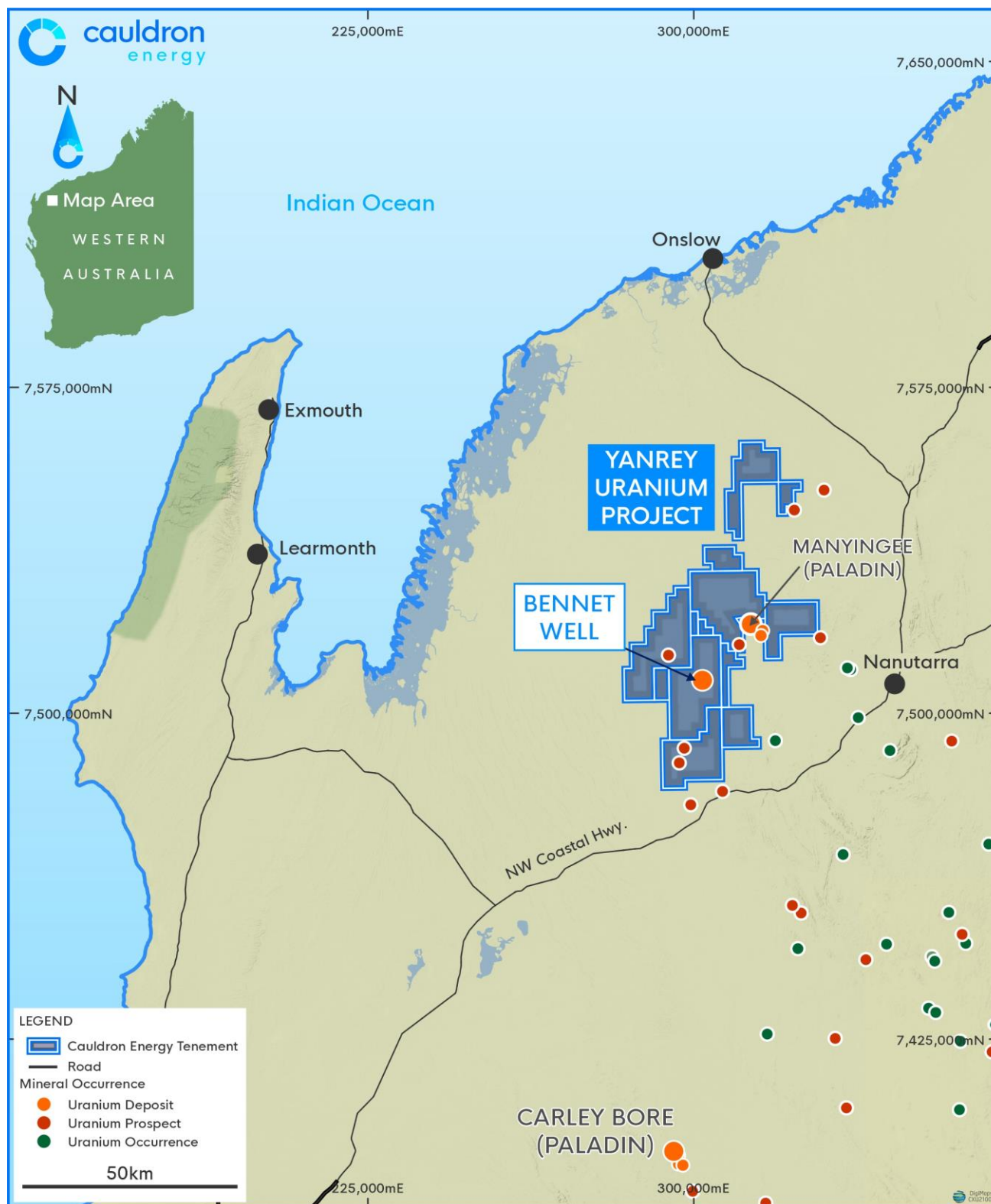


Figure 1: Yanrey Uranium Project Location (Western Australia)

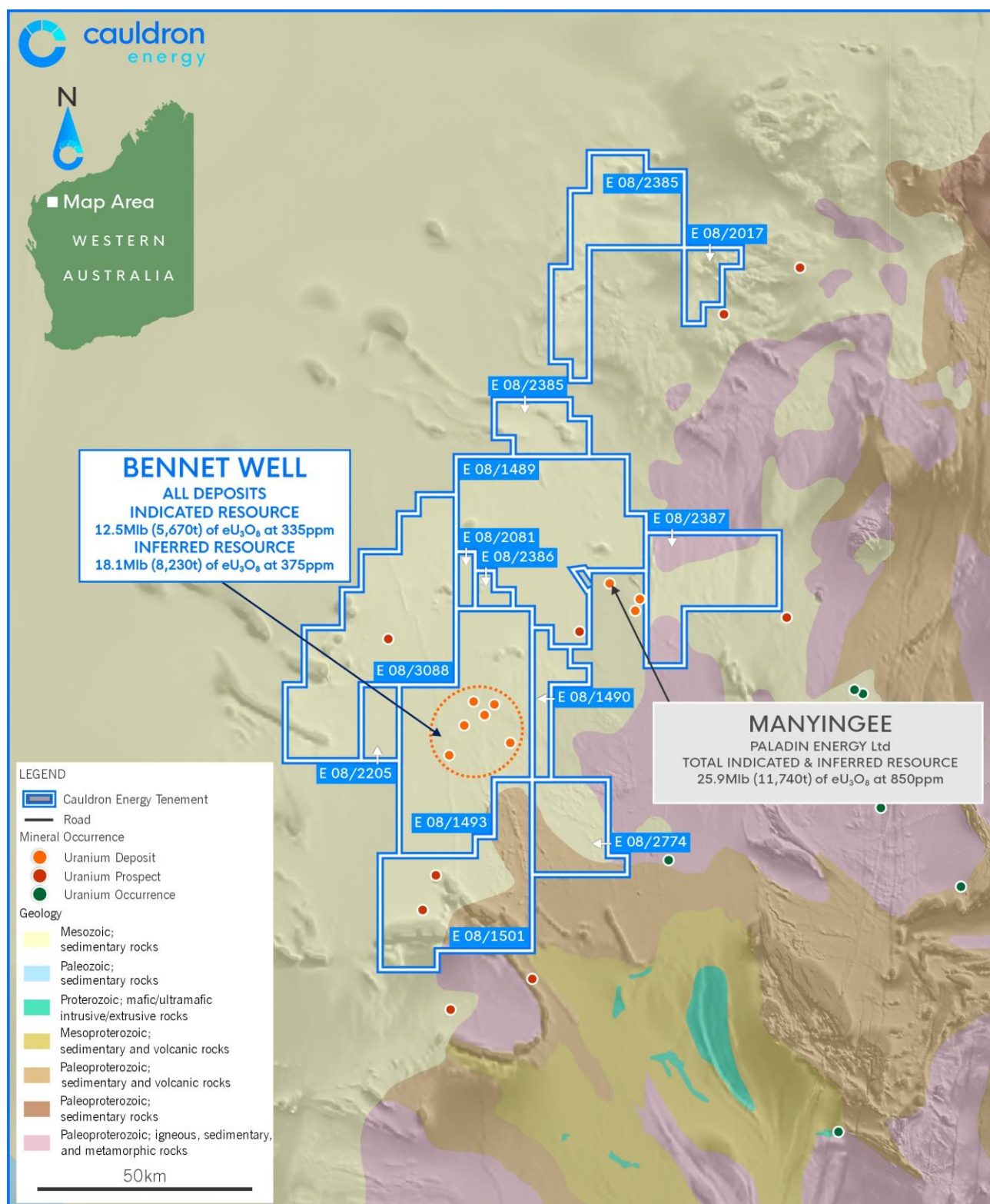


Figure 2 – Location map of the Yanrey Uranium Project and Bennet Well Uranium Deposit

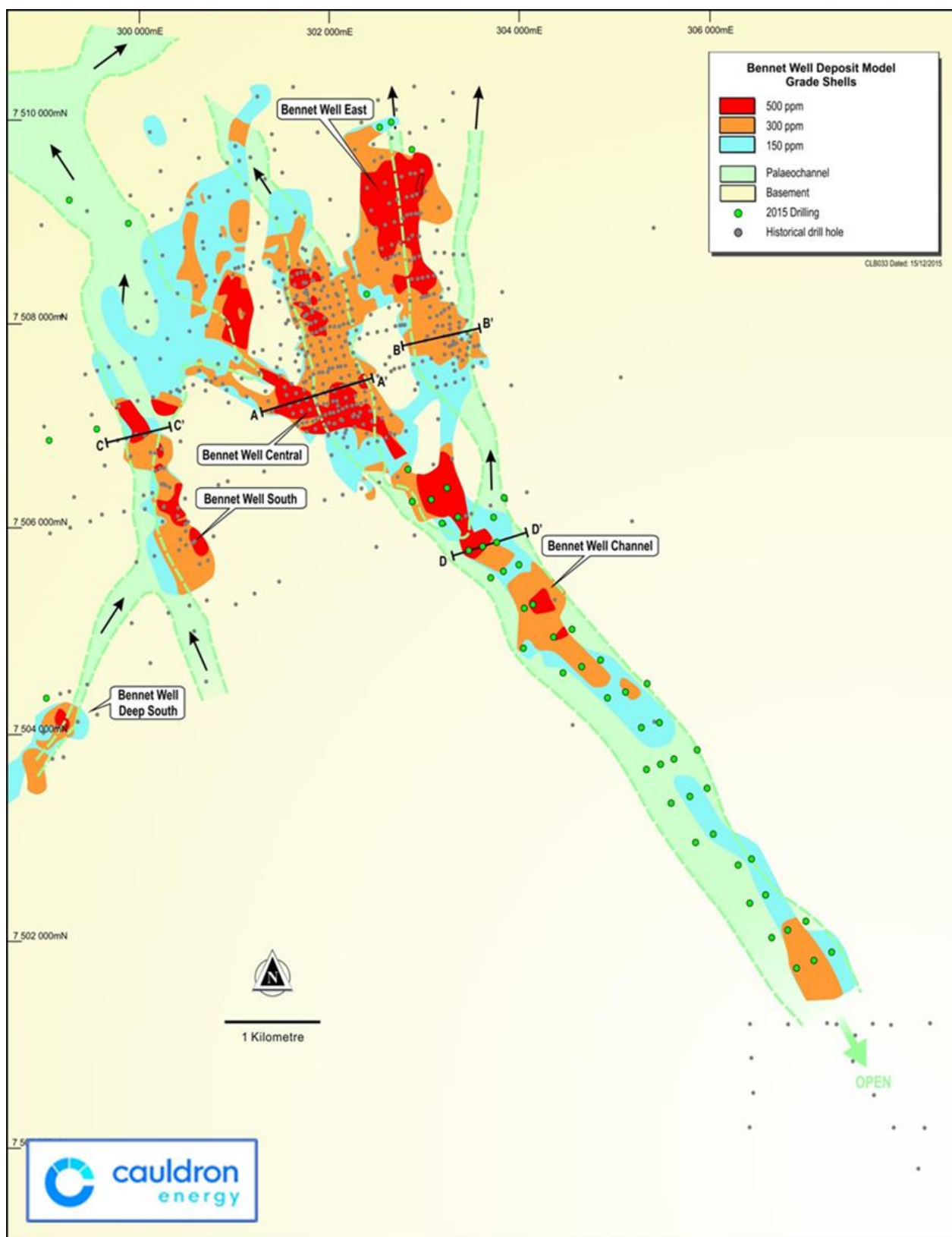


Figure 3 – Bennet Well Uranium Deposit and spatial distribution of U_3O_8 domains.

URANIUM PRICE INFORMATION

Uranium does not trade on an open market like other commodities. Buyers and sellers negotiate contracts privately. Prices are published by independent market consultants.

According to Trading Economics, the Uranium spot price finished the December 2022 quarter slightly lower at US\$48.88/lb (30 September 2022: US\$49.45/lb) and has since fluctuated between US\$48/lb and US\$51/lb since 1 January 2023 (Source: Trading Economics).

According to Trading Economics, the softening in the uranium spot price is **as a result of:**
“a decline in coal and natural gas prices reduced the urgency for alternative energy sources.”

Despite the softening, the outlook remains positive with Trading Economics stating:

“Volatile energy markets and carbon-cutting goals continued to support demand for nuclear fuel. The US Department of Energy purchased 300 thousand pounds of U₃O₈, kicking off its earlier solicitation to buy 1 million pounds with up to US\$75 million in contracts for the strategic uranium reserve. Among other major players, Japan ordered the development of new power plants and approved the restart of 17 shut-down reactors, marking a historical pivot of confidence in the sector since the 2011 Fukushima meltdown. Furthermore, China’s nuclear authorities expanded construction capacity to raise their power plant building objectives to 10 new reactors per year.”

WA SANDS PROJECT

Cauldron has a 100% ownership interest in a number of river sand tenements over substantial portions of three of the largest river systems crossing the coast in central to northern Western Australia, covering the mouths of the Fitzroy River at Derby, the Ashburton River at Onslow and the Gascoyne River at Carnarvon, with each prospective for sand suitable for the construction and reclamation industries.

The Fitzroy, Ashburton River and Gascoyne rivers drain a huge area of granitic rocks commencing from its respective headwater all the way to the project area, being the mouth of the river (refer to **Figure 4**).

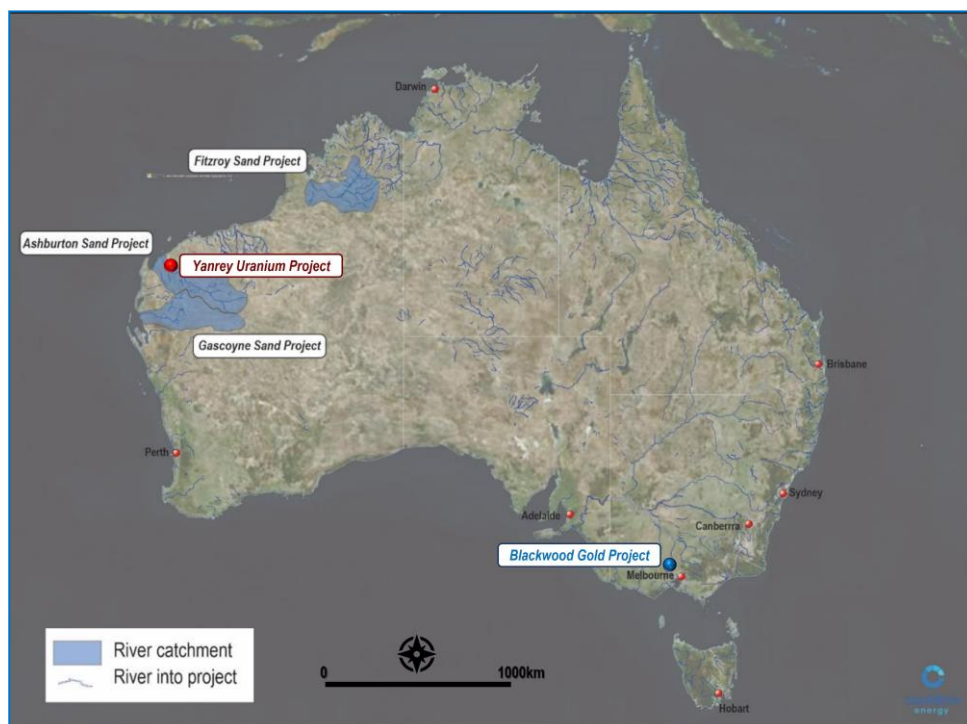


Figure 4: Cauldron River Sands Project – Catchment areas draining into each project area.

Each time there is a flooding event somewhere in the catchment area, sand is deposited into the project areas, replenishing the supply of sand and re-establishing the river mouth in its original condition. Some river mouths are being ‘swamped’ from flooding events, with excessive sand build-up preventing the use of high value infrastructure facilities, which adversely affect the economies of these regional economies. Harvesting of this material can therefore provide important benefits to local communities in addition to the significant revenue opportunities for the Company.

Sand is the most consumed natural resource on the planet besides water and by far the largest globally mined commodity. It is estimated that over 50 billion tonnes of aggregate (sand and gravel) are consumed annually.

Cauldron expects to benefit from its ‘first mover status’ and having early participation in a global growth industry. There is significant pressure on existing sources of sand supply; with exhaustion of many sources (which do not regenerate naturally at the same pace for example as River Sand; or such sources being in areas which are no longer suitable for extraction due to environmental concerns. Cauldron’s WA sand tenements present a major new potential source of sustainable sand supply for global markets.

Cauldron’s sand tenements are in differing stages of readiness to supply sand. The Company does have a stockpile of already mined material capable of near term supply.

Acquisition Status

The acquisition of the licences is partially complete as at the date of this report, with ownership of four of the eight licences having transferred to Cauldron. The licences transferred are EL08/2328, EL08/2329 and EL08/2462 and miscellaneous licence L08/71 and are located at the mouth of the Ashburton River in Onslow (see **Figure 5**) below:

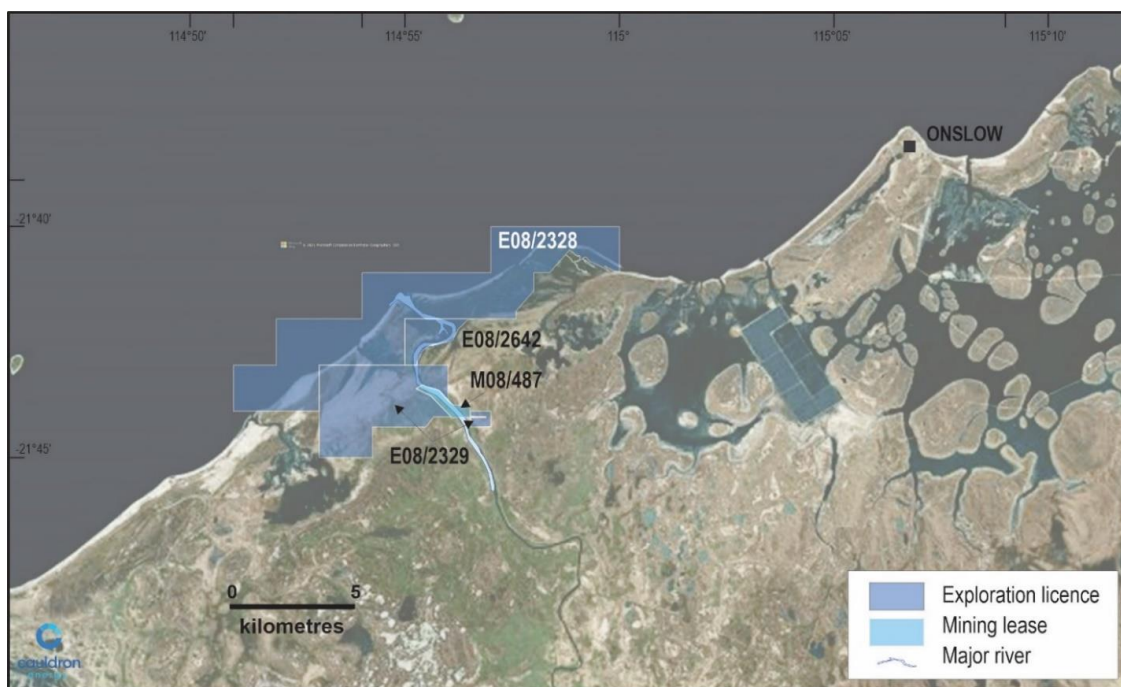


Figure 5: Ashburton River Sand Project – Mining Title (aerial photo underlay courtesy of Bing)

Work Completed During Reporting Period

During the quarter, the Company received several expressions of interest for sand supply which it is currently working through. Shareholders will be updated if and when discussions result in a formal commitment being received.

In addition, the Company commenced an internal strategic review of this Project and considering opportunities for participation in the bulk sand export market.

BLACKWOOD GOLD PROJECT

From 1864 to 1960 the Blackwood Goldfield produced about 218,000 ounces of gold from orogenic gold sources (199,000 ounces) and from placer sources (19,000 ounces).¹ Gold was won from surface down to a depth of 100m below ground level, with very little mining activity below a depth of 150m. The Sultan mine is the deepest in the goldfield with production levels at 230m below ground surface and its shaft reaching 274 m, and still in payable gold.

For detailed information on the Blackwood Gold Project and historical work performed refer Company's previous ASX announcements.

Work Completed During Reporting Period

The Phase 2 drill program was completed in September 2022. Work during the December quarter was limited to clean-up and storage of core and equipment pending a strategic review as to how to progress the Project.

Subsequent to quarter's end, PAC Partners have been engaged to undertake that strategic review – refer ASX announcement of 30 January 2023.

EXPLORATION COSTS (ALL PROJECTS) FOR THE QUARTER

In accordance with the requirements of ASX Listing Rule 5.3.1 the Company advises that during the quarter, the Company expended \$352K on exploration related items (including salaries). The major cost areas were Salaries and fees related to staff of: \$139k, tenement rates and rents (Yanrey Project) of \$184k; vehicle hire of \$20k and miscellaneous items: \$19k.

CORPORATE

Appointment of Jonathan Fisher as Chief Executive Officer

- Mr Jonathan Fisher was appointed as Chief Executive Officer of the Company effective 1 December 2022.

Mr Fisher holds degrees in Law, Applied Finance and Commerce (University of Western Australia and Macquarie University), and has over 20 years' experience in the resources and corporate industries.

Most recently, Mr Fisher was Chief Financial Officer at TNG Ltd and led their project financing and government liaison teams. He was responsible for delivery of >\$800M in conditional financing support for TNG's Mt Peake project in the NT. Prior to that Jonathan was Chief Financial Officer for five years for Tellus Holdings Ltd, a hazardous and radioactive waste management company with customers ranging from mining, oil & gas, utility and heavy industry sectors. This included securing approximately \$150M pre-development and then development financing for the Sandy Ridge facility in Western Australia, and liaison with a number of different West Australian State and Federal government departments to deliver the holistic financial assurance and insurance framework for the project. In the iron ore sector, Mr Fisher was General Manager Corporate Finance for Atlas Iron for circa 4 years during the period 2012 to 2015 where he was responsible for all corporate treasury operations, debt capital for project development, and various other commercial responsibilities. Other roles have included corporate advisory at PricewaterhouseCoopers, Rothschild (London), and Poynton and Partners. Of particular relevance, Jonathan was a member of the Natural Resources, Utilities and Infrastructure team at Rothschild where he was involved in corporate advisory roles in the nuclear energy sector across Europe. Mr Fisher is a Graduate of the Australian Institute of Company Directors (GAICD)

¹ **Source:** Report titled "The Gold Mines of Blackwood" prepared by Erik Norum, Consultant Geologist, August 2018

Placement and Rights Issue

- On 9 December 2022, the Company completed a placement issuing 91,131,652 new fully paid ordinary shares at 0.7 cents each raising a total of \$0.637 million before costs. Canaccord Genuity acted as lead manager to the Placement;
- On 30 December 2022, the Company completed a rights issue issuing 232,892,000 new fully paid ordinary shares at 0.7 cents each raising a total of \$1.630 million before costs. Participants in the Rights Issue were issued a total of 58,223,000 free attaching unlisted options which are exercisable on or before 30 November 2025, at an exercise price of \$0.015 cents (Unlisted Options). The Unlisted Options were issued on the basis of 1 free attaching option for every four shares subscribed for. Canaccord Genuity acted as Lead Manager and Underwriter to the Rights Issue;
- In total, in remuneration for acting as lead Manager to the Placement and Lead Manager and Underwriter to the Rights Issue, Canaccord Genuity received a 2% management fee, plus a 4% capital raising fee, plus a corporate advisory fee of \$30,000.

Annual General Meeting

- The Company's Annual General Meeting took place on 29 November 2022 with all resolutions being passed in favour.

For full results refer ASX announcement of 29 November 2022 titled '*Results of Annual General Meeting*'.

CHANGES IN OWNERSHIP INTERESTS OF MINERAL TENEMENTS

In accordance with the requirements of ASX Listing Rule 5.3.3 the Company confirms that no tenements (including beneficial interests in tenements) were acquired, disposed or lapsed during the quarter.

SCHEDULE OF MINERAL TENEMENTS

Refer Appendix A.

RELATED PARTY PAYMENT INFORMATION

In accordance with the requirements of ASX Listing Rule 5.3.5 the Company advises that during the quarter ended 31 December 2022 the following payments were made to directors of the Company and their associates:

	\$
Non-Executive Chairman – Ian Mulholland (1)	15,000
Executive Director – Michael Fry (2)	18,000
Total	33,000

Notes:

- (1) Mr Ian Mulholland is paid a directors' fee of \$5,000 per month.
- (2) Mr Michael Fry is paid a fee of \$9,000 per month for CFO and company secretarial services. There was no change to this monthly fee upon Mr Fry's appointment as a Director on 7 September 2022.

AUTHORISATION FOR RELEASE

This report has been authorised for release by the Company's Non-Executive Chairman, Ian Mulholland.

End

For further information, visit www.cauldronenergy.com.au or contact:

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Michael Fry

Director and Company Secretary
Cauldron Energy Limited

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Competent Persons Statements:

Resource Statements

The information in this report that relates to Mineral Resources for the Bennett Well Deposit is extracted from a report released to the Australian Securities Exchange (ASX) on 17 December 2015 titled "Substantial Increase in Tonnes and Grade Confirms Bennet Well as Globally Significant ISR Project" and available to view at www.cauldronenergy.com.au and for which Competent Persons' consents were obtained. Each Competent Person's consent remains in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The Company confirms that is not aware of any new information or data that materially affects the information included in the original ASX announcement released on 17 December 2015 and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original ASX announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original ASX announcement.

APPENDIX A

Schedule of Tenements

Mining tenements held at 31 December 2022, including tenements acquired and disposed of during the quarter:

Tenement	Project	Tenement Holder	Acquired interest during the quarter	Disposed interest during the quarter	Interest at end of quarter
E08/1489	Yanrey	Cauldron Energy	-	-	100%
E08/1490			-	-	100%
E08/1493			-	-	100%
E08/1501			-	-	100%
E08/2017			-	-	100%
E08/2081			-	-	100%
E08/2205			-	-	100%
E08/2385			-	-	100%
E08/2386			-	-	100%
E08/2387			-	-	100%
E08/2774			-	-	100%
E08/3088			-	-	100%
E08/3520			-	-	100%
E08/3521			-	-	100%
E08/2328	Onslow	Cauldron Energy	-	-	100%
E08/2329		Cauldron Energy	-	-	100%
E08/2642		Cauldron Energy	-	-	100%
L08/71		Cauldron Energy	-	-	100%
M09/96		Cauldron Energy	-	-	100%
M08/487		Quarry Park	-	-	100%*
P08/798		Cauldron Energy	-	-	100%
P08/800		Cauldron Energy	-	-	100%
E09/2715	Carnarvon	Cauldron Energy	-	-	100%
M09/180		Onslow Resources	-	-	100%*
E04/2548	Derby	Rand Mining	-	-	100%*
EL 5479	Blackwood	Blackwood Gold JV	-	-	51%*

* Cauldron Energy beneficial interest

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

CAULDRON ENERGY LIMITED

ABN

22 102 912 783

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(352)	(714)
	(b) development		
	(c) production		
	(d) staff costs	(21)	(60)
	(e) administration and corporate costs	(179)	(256)
1.3	Dividends received (see note 3)		
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	(5)	(5)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)	(47)	(64)
1.9	Net cash from / (used in) operating activities	(603)	(1,099)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation		
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities		

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,772	2,772
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(71)	(71)
3.5	Proceeds from borrowings		500
3.6	Repayment of borrowings	(500)	(500)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	2,201	2,701

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	240	236
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(603)	(1,099)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,201	2,701

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,838	1,838

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,838	236
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,838	236

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	33
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(603)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(603)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,838
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,838
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.05
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/a	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/a	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/a

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

30 January 2023

Date:

Michael Fry - Director

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.