

CAULDRON ENERGY LIMITED

ACN 102 912 783

ENTITLEMENT ISSUE PROSPECTUS

This Prospectus contains the following offers:

- (a) a pro-rata renounceable entitlement issue of 1 Share for every 6 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.009 per Share together with 1 free New Option for every 3 Shares applied for and issued to raise up to approximately \$1,427,353 (based on the number of Shares on issue as at the Record Date) (**Offer**); and
- (b) an offer of 1 New Option for every 3 Shares issued under the Offer to the Underwriter (or its nominee/s) (**Underwriter Offer**).

This Offer is fully underwritten by Canaccord Genuity (Australia) Limited (AFSL 234 666) (**Lead Manager** or **Underwriter**). Refer to Section 6.4 for details regarding the terms of the underwriting.

The Underwriter has appointed Cumulus Wealth Pty Ltd (AFSL 524450) (**Cumulus Wealth**) to act as co-manager to the Offer through a \$475,784.33 allocation to sub-underwrite the Offer.

Refer to Section 6.4 for details regarding the terms of the underwriting.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 10 October 2023 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives,

financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

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, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand or Hong Kong.

For further information on overseas Shareholders please refer to Section 2.10.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the

Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company and the Lead Manager will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (<https://www.cauldronenergy.com.au/>). By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at <https://www.cauldronenergy.com.au/>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian, New Zealand or Hong Kong resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on 08 6270 4693 during office hours or by emailing the Company at IR@cauldronenergy.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a

reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate

communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on 08 6270 4693.

CORPORATE DIRECTORY

Board

Ian Mulholland (Non-Executive Director and Chairman)
Michael Fry (Executive Director)
Qiu Derong (Non-Executive Director)
Judy Li (Non-Executive Director)
Chenchong Zhou (Non-Executive Director)

Company Secretary

Michael Fry

Senior Management

Jonathan Fisher (Chief Executive Officer)
Michael Fry (Chief Financial Officer)
Angelo Socio (Exploration Manager)

Registered Office

Unit 2,
420 Bagot Road
SUBIACO WA 6008

Telephone: + 61 8 6270 4693
Facsimile: +61 8 6323 3347

Email: IR@cauldronenergy.com.au
Website:
<https://www.cauldronenergy.com.au/>

Auditor

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000

Share Registry*

Advanced Share Registry Ltd
110 Stirling Highway
NEDLANDS WA 6009

Telephone (within Aus): 1300 113 258
Telephone (outside Aus): +61 9389 8033

Legal Advisers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Lead Manager and Underwriter

Canaccord Genuity (Australia) Limited
Level 23, 2 The Esplanade
PERTH WA 6000

Co-Manager

Cumulus Wealth Pty Ltd
Level 7, 330 Collins Street
MELBOURNE VIC 3000

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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CHAIRMAN AND CEO JOINT LETTER

Dear Shareholders,

We are pleased to provide an opportunity for Shareholders to participate in this capital raising for Cauldron Energy Limited. We have structured the Offer to ensure existing Shareholders have as much opportunity as possible to participate. This recognises the significant support our shareholders have shown us, both our long term holders, and also the significant number of new shareholders who have joined our register in recent times reflecting a significant increase in the volume of trading in the Company's Shares.

The Offer is being implemented as a small Placement of 22,000,000 Shares at \$0.009 to raise \$198,000, as well as a fully underwritten renounceable rights issue on a 1 for 6 basis to raise a further \$1,427,352.99. As the rights are renounceable, they can be traded as per the timeline contained in this Prospectus, providing an opportunity for those Shareholders who may not wish to or may not be able to participate in the raising to realise some value.

Participants in the Offer will also receive one new Option for every 3 Shares held, with an exercise price of \$0.015 and an expiry of 30 December 2025.

With funding support now received, a top notch technical and commercial team in place, an outstanding undeveloped uranium project, exciting prospectivity at the Company's Melrose Project, and the potential to add a further critical minerals project from the many projects currently being considered, Cauldron has an exciting future ahead of it.

The significance of the Bennett Well Uranium Project at Yanrey is indisputable due to its size and amenability for in-situ leach (ISL) recovery leading to the potential for low-impact, low-cost production, providing capital and operating cost benefits over hard-rock uranium mining.

The momentum in the uranium market is undeniable; being driven by robust demand from a global nuclear renaissance creating a projected shortage of uranium. Investors are recognising the global momentum in uranium as well as the elevated level of discussion in the community about the current uranium mining situation in Western Australia.

A change in sentiment by the Western Australian government (or indeed a change in Government) would allow Yanrey, and Western Australia, to establish itself as a low risk, reliable producer of uranium for global markets, helping the global fight to achieve Net Zero.

We encourage all shareholders to participate in the Offer and support the Company as we continue to work to make the new CXU a success.

Ian Mulholland
Non-executive Director and Chairman

Jonathan Fisher
Chief Executive Officer

1. KEY OFFER INFORMATION

1.1 Timetable

Company requests trading halt from ASX	Wednesday, 4 October 2023
Announcement of Offer, Placement & Appendix 3B	Friday, 6 October 2023
Lodgement of Prospectus with the ASIC & ASX	Pre-market open Tuesday, 10 October 2023
Ex date	Thursday, 12 October 2023
Rights trading starts on a deferred settlement basis	Thursday, 12 October 2023
Record Date for determining Entitlements	Friday, 13 October 2023
Issue of Placement Shares	Monday, 16 October 2023
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Wednesday, 18 October 2023
Rights trading ends at close of trading	Monday, 23 October 2023
Trading in Shares commences on a deferred settlement basis	Tuesday, 24 October 2023
Last day to extend the Closing Date	Wednesday, 25 October 2023
Closing Date as at 5:00pm AWST	Monday, 30 October 2023
ASX and Underwriter notified of under subscriptions	Wednesday, 1 November 2023
Underwriter subscribes for Shortfall under terms of Underwriting /Sub-Underwriting Agreement	Wednesday, 1 November 2023
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities	Friday, 3 November 2023
Quotation of Securities issued under the Offer	Monday, 6 November 2023

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Securities are expected to commence trading on ASX may vary.

1.2 Key statistics of the Offer

Shares

	Full Subscription (\$1,427,353)
Offer Price per Share	\$0.009
Entitlement Ratio (based on existing Shares)	1:6
Shares on issue ¹	951,568,661
Shares to be issued under the Offer ¹	158,594,777
Gross proceeds of the issue of Shares under the Offer	\$1,427,353
Shares to be issued under the placement	22,000,000
Shares on issue Post-Offer	1,132,163,438

Notes:

1. Refer to Section 4.1 for the terms of the Shares.

Options

	Full Subscription (\$1,427,353)
Offer Price per New Option	nil
Option Entitlement Ratio (based on Shares subscribed for)	1:3
Options currently on issue	193,930,173
New Options to be issued under the Offer ^{1,2}	52,864,926
New Options to be issued under the Underwriter Offer ^{2,3}	52,864,926
Options on issue Post-Offer	299,660,025

Notes:

1. To be issued free attaching to the Shares issued under the Offer on a 1:3 basis.
2. Refer to Section 4.2 for the terms of the New Options.
3. The Company has agreed to issue the Underwriters (or their nominee/s) one (1) New Option for every three (3) Shares underwritten, . being 52,864,926 New Options.

1.3 Summary of the Placement and the Offer**Placement**

As announced on 6 October 2023, the Company received firm commitments from sophisticated and professional investors to raise \$198,000 (before costs) (**Placement**) through the issue of 22,000,000 Shares at an issue price of \$0.009 per Share (**Placement Shares**).

The Placement Shares will be issued on 17 October 2023 pursuant to the Company's existing placement capacity under Listing Rules 7.1.

Canaccord acted as lead manager to the Placement and will be paid a management fee of 6% of the gross proceeds raised under the Placement (comprising a 2% management fee and 4% placement fee).

Offer

The Offer is being made as a renounceable entitlement issue of one (1) Share for every six (6) Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.009 per Share to raise up to approximately \$1,427,353 (before costs), together with one (1) free attaching New Option for every three (3) Shares applied for and issued, exercisable at \$0.015 on or before 30 December 2025.

Canaccord acted as lead manager and underwriter to the Offer and will be paid:

- (a) an underwriting fee equal to 4% of the total gross amount raised under the Offer;
- (b) an issue management fee of 2% of the total gross amount raised under the Offer; and
- (c) a corporate advisory fee of \$60,000 plus GST for its services in managing the Offer.

In addition, the Company has agreed to issue the Underwriter one (1) New Option for every three (3) Shares underwritten by the Underwriter, being 52,864,926 New Options.

Further details in respect of the Offer are set out in Section 2.

1.4 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

The predominant risks relating to the Company and the Offer are summarised below:

Risk	Description	Further Information
Uranium Related Risk	Risks relating to uranium exploration.	Section 5.2
Potential for significant dilution	Risks relating to the dilutionary impacts of the Offer.	Section 5.2
Exploration risk	Risks relating to exploration of mining tenements.	Section 5.2
Additional requirements for capital	Risks relating to the future capital requirements of the Company and its ability to obtain suitable funding.	Section 5.2
Environmental Risk	Risks relating to environmental issues.	Section 5.3

1.5 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Shares	Options	Share Entitlement	New Option Entitlement	\$
Ian Mulholland	8,476,191	8,654,761	1,412,699	470,900	\$12,714
Derong Qiu	159,570,377	9,973,149	26,595,063	8,865,021	\$239,086
Judy Li	Nil	Nil	Nil	Nil	Nil
Chenchong Zhou	Nil	Nil	Nil	Nil	Nil
Michael Fry	88,890	5,556	14,815	4,938	\$133

As outlined in Section 1.7, Mr Ian Mulholland has each entered into an agreement with the Underwriter to sub-underwrite the Offer up to \$50,000 worth of Shares (5,555,556 Shares and 1,851,852 New Options). Refer to Section 6.4 for details regarding the terms of the sub-underwriting agreements.

The Board recommends all Shareholders take up their Entitlements.

The Directors reserve the right to take up their respective Entitlement in whole or in part at their discretion.

1.6 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus and the Record Date, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	Date of Prospectus (%)	Record Date (%)
Derong Qiu	159,570,377	16.77%	16.77%

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

1.7 Underwriting and sub-underwriting

The Offer is fully underwritten by Canaccord Genuity (Australia) Limited (AFSL 234 666). Refer to Section 6.4 for details of the terms of the Underwriting Agreement.

The Underwriter has also been appointed as the lead manager of the Offer. The terms of the Underwriter's appointment and total fees payable are set out in Section 6.4 below.

The Underwriter has also engaged Cumulus Wealth to act as co-manager to the Offer through a \$475,784.33 allocation to sub-underwrite the Offer. Cumulus Wealth will not act in any other capacity to the Offer other than as co-manager.

The Underwriter has entered into a number of sub-underwriting agreements in respect of the Shortfall Securities, including a sub-underwriting agreement with Non-Executive Director and Chairman Ian Mulholland and co-manager to the Offer, Cumulus Wealth (or their respective nominee/s).

No sub-underwriter is a related party of the Company (other than Mr Mulholland), nor will they increase their shareholding to above 19.99% as a direct result of the issue of Securities under the Offer. Where Shares are issued pursuant to the exercise of New Options, the voting power of the sub-underwriters who exercise their New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

Refer to Section 6.5 for further detail of the sub-underwriting agreements.

1.8 Effect on Control

The Underwriter is presently not a Shareholder and is not a related party of the Company for the purposes of the Corporations Act. The issue of Shares under this Prospectus to the Underwriter may increase its interest in the Company and dilute the Shareholding of other Shareholders to the extent they elect not to participate in the Offer or are ineligible to participate in the Offer.

In accordance with the terms of the Underwriting Agreement, the Underwriter will allocate the Shortfall to its sub-underwriters and/or clients and people who have otherwise agreed to assist with the completion of the Offer such that neither the Underwriter, the sub-underwriters nor any of the Underwriter's clients, individually,

will have a voting power in the Company in excess of 19.9% after the issue of the Shortfall.

The Company, in consultation with the Underwriter, will ensure that the Offer (including the equitable dispersion of any Shortfall Securities) complies with the provisions of Chapter 6 of the *Corporations Act 2001* (Cth) and is otherwise consistent with the policy guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.

1.9 Substantial Shareholders

As the Offer is fully underwritten, there is not expected to be any change to the substantial holders on completion of the Offer. The Company notes that Director and substantial holder Derong Qiu may acquire up to an additional 26,595,063 Shares and 8,865,021 Options through taking up his full Entitlement. However, as the Offer is fully underwritten, Derong Qiu's voting power in the Company will not increase by virtue of his subscription.

1.10 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.9, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 15.95% (as compared to their holdings and number of Shares on issue as at the Record Date).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	1.05%	1,666,667	10,000,000	0.88%
Shareholder 2	5,000,000	0.53%	833,333	5,000,000	0.44%
Shareholder 3	1,500,000	0.16%	250,000	1,500,000	0.13%
Shareholder 4	400,000	0.04%	66,667	400,000	0.04%
Shareholder 5	50,000	0.0053%	8,333	50,000	0.004%

Notes:

1. This is based on a share capital of 951,568,661 Shares as at the Record Date and assumes no Shares other than the Placement Shares and no Options currently on issue or other Shares are issued including New Options or Performance Rights are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Underwriter Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 23.13% (as compared to their holdings and number of Shares on issue as at the Record Date).

2. DETAILS OF THE OFFER

2.1 The Offer

The Offer is being made as a pro-rata renounceable entitlement issue of 1 Share for every 6 Shares held by Shareholders registered at the Record Date at an issue price of \$0.009 per Share together with 1 New Option for every 3 Shares subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the Record Date, (and assuming no Shares other than the Placement Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 158,594,777 Shares and 52,864,926 New Options may be issued under the Offers to raise up to \$1,427,353. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 193,930,173 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 4.2 for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares. The New Options will be exercisable at \$0.015 on 30 December 2025 and otherwise on the terms set out in Section 4.2.

The purpose of the Offer and the intended use of funds raised are set out in Section 3.

2.2 The Underwriter Offer

The Underwriter Offer is an offer of up to 52,864,926 New Options to the Underwriters (or their nominee/s), in part consideration for agreeing to underwriting the Offer.

The New Options offered under the Underwriter Offer will be issued on the terms and conditions set out in Section 4.2. The Company will apply for Official Quotation of the New Options to be issued under the Underwriter Offer.

The purpose of the Underwriter Offer is to satisfy part of the Company's obligations under the Underwriting Agreement and to remove the need for an additional disclosure document to be issued upon the sale of any Shares that are issued on exercise of the New Options subscribed for by the Underwriter (or their nominee/s).

Only the Underwriters (or its nominee/s) may apply under the Underwriter Offer. A personalised Underwriter Offer Application Form in relation to the Underwriter Offer will be issued to the Underwriter together with a copy of this Prospectus. You should not complete an Underwriter Offer Application Form unless specifically directed to do so by the Company.

2.3 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which accompanies this

Prospectus. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	- Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which accompanies this Prospectus. Please read the instructions carefully. - Payment can be made by the methods set out in Section 2.4. As set out in Section 2.4, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form.	Section 2.4 and Section 2.5.
Take up all of your Entitlement and also apply for Shortfall Securities	- Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which accompanies this Prospectus. Please read the instructions carefully. - Payment can be made by the methods set out in Section 2.4. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. - If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion (working alongside the Underwriter). The Company's decision on the number of Shortfall Securities to be allocated to you will be final.	Sections 2.4 and 2.5
Sell all of your Entitlement on ASX	- The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for Securities under the Offer may be traded on ASX. - If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence on ASX on Tuesday, 10 October 2023 and will cease on Friday, 20 October 2023. - There is no guarantee that an Eligible	N/A

Option	Key Considerations	For more information
	Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.	
Take up a proportion of your Entitlement and sell the balance on ASX	- If you wish to take up only part of your Entitlement, your application must be made by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus for the number of Securities you wish to take up and making payment using the methods set out in Section 2.4 below. As set out in Section 2.4, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form. - Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX.	Section 2.4 and Section 2.5
Take up a proportion of your Entitlement and allow the balance to lapse	If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus for the number of Securities you wish to take up and making payment using the methods set out in Section 2.4 below. As set out in Section 2.4, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form.	Section 2.4 and Section 2.5
Sell all or a proportion of your Entitlement other than on ASX	- You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased. - If you are a Shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry) for the Shares they wish to subscribe for payable to "Cauldron Energy Limited" and crossed "Not Negotiable" to the Share Registry by post at any time after the issue of this Prospectus	N/A

Option	Key Considerations	For more information
	and on or before the Closing Date at the following address: By Post: Advanced Share Registry Limited PO Box 1156 Nedlands, WA 6009 If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Shares the transferee of the Entitlement wants to acquire must be received by Share Registry.	
Allow all or part of your Entitlement to lapse	- Shareholders should be aware that their Entitlement may have value. Entitlement are renounceable, which enable Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement on ASX or otherwise. - If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, the Offer to you will lapse.	N/A

The Offer is renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

2.4 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and

- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) By Electronic Funds Transfer (overseas applicants)

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

(c) By Cheque

The Company will not accept payment by cheque.

2.5 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any

Application monies, the application may not be varied or withdrawn except as required by law.

2.6 Minimum subscription

There is no minimum subscription.

2.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open until the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.009 being the price at which Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Section 2.4.

Allocation of the Shortfall Shares will be at the discretion of the Board in conjunction with the Underwriter and will otherwise be subject to the terms of the Underwriting Agreement, details of which are set out in Section 6.4. If the Offer is oversubscribed (by take up of Entitlements and applications for Shortfall Securities by Eligible Shareholders), scale back will be applied to applications under the Shortfall Offer on a pro-rata basis to the respective shareholdings of Eligible Shareholders. There is no guarantee that Eligible Shareholders will receive Securities applied for under the Shortfall Offer.

The Underwriter notes that no Securities will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Securities would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Securities will be issued via the Shortfall Offer to any related parties of the Company.

2.8 ASX listing

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. The Company will also be seeking Official Quotation for the existing Options currently on issue in the same class as the New Options (the **Existing Options**).

If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

Application for Official Quotation of the New Options offered pursuant to this Prospectus and the Existing Options will also be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation before the expiration

of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any New Options.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

2.9 Issue of Securities

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

2.10 Overseas shareholders

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Hong Kong

WARNING: The contents of this Prospectus have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice.

This Prospectus does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Prospectus also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to

subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Prospectus in Hong Kong, other than to persons who are "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession for the purposes of issue, this Prospectus or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand or Hong Kong without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the offer

The purpose of the Offer is to raise up to approximately \$1,427,353 before costs.

The funds raised from the Offer are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Yanrey Uranium Project ¹	\$575,000	40.28%
2.	Melrose Nickel-Copper-PGE Project ²	\$400,000	28.02%
3.	New project opportunities	\$50,000	3.50%
4.	Working capital	\$208,329	14.60%
5.	Expenses of the Offer ³	\$194,024	13.59%
	Total	\$1,427,353	100%

Notes:

1. Cauldron has plans to advance its Yanrey Uranium Project, through further drilling, scoping study and metallurgical test work in anticipation of a future lifting of the ban on uranium mining in Western Australia, with the drilling program planned for the early part of calendar year 2024 weather permitting.
2. Cauldron also has plans to advance its highly prospective Melrose Ni-Cu-PGE Project, through mapping, sampling and drilling, with a drilling program planned for later this calendar year when access to the target areas is possible following harvest
3. Refer to Section 6.9 for further details relating to the estimated expenses of the Offer.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans.

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

3.2 Effect of the Offer

The principal effect of the Offer, assuming the Placement Shares are issued, and all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$1,233,329 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 951,568,661 to 1,132,163,438 Shares; and

- (c) increase the number of Options on issue from 193,930,173 Options as at the date of this Prospectus to 299,660,025 Options.

3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	951,568,661
Shares offered pursuant to the Offer	158,594,777
Shares to be issued pursuant to the Placement	22,000,000
Total Shares on issue after completion of the Offer	1,132,163,438

Options

	Number
Unquoted Options exercisable at \$0.05 each on or before 30 November 2023	61,001,898
Unquoted Options exercisable at \$0.034 each on or before 15 March 2024	6,000,000
Unquoted Options exercisable at \$0.015 on or before 29 November 2024	15,000,000
Unquoted Options exercisable at \$0.02 each on or before 31 May 2025	24,705,882
Unquoted Options exercisable at \$0.02 on or before 30 November 2025	15,000,000
Unquoted Options exercisable at \$0.015 each on or before 30 December 2025	58,222,393
Unquoted Options exercisable at \$0.025 on or before 30 November 2026	15,000,000
Total Options on issue as at the date of this Prospectus	193,930,173
New Options to be issued pursuant to the Offer	52,862,926
New Options to be issued pursuant to the Underwriter Offer	52,862,926
Total Options on issue after completion of the Offer	299,660,025

Performance Rights

	Number
Performance Rights proposed to be issued to the Board at the Company's upcoming Annual General Meeting ¹	100,000,000

Notes:

1. The Company is proposing to issue up to a maximum of 100,000,000 Performance Rights to the Board at its upcoming Annual General Meeting with the following milestones proposed:
 - a. The volume weighted average price of the Shares of the Company as quoted on ASX is above such price that is equal to \$0.0117, being a 30% premium to the October 2023 rights issue share price of \$0.009, for a period of not less than 20 consecutive trading days on which the Shares have actually traded;
 - b. The volume weighted average price of the Shares of the Company as quoted on ASX is above such price that is equal to \$0.01485, being a 65% premium to the October 2023 rights issue share price of \$0.009, for a period of not less than 20 consecutive trading days on which the Shares have actually traded];

- c. Defining a JORC 2012 compliant inferred resource at Melrose Project of 100,000 tonnes of nickel (or nickel equivalent) grading 1% or above;
- d. the Company outperforms the S&P/ASX Small Ordinaries Index index by 30% or greater; and
- e. the Company's market capitalisation¹ exceeds \$40 million.
- f. *1: for the purposes of the vesting conditions, the Company's market capitalisation will be determined using the 30-calendar day volume weighted average price of Shares traded on the ASX, and the number of Shares on issue as at the relevant time.*

The capital structure on a fully diluted basis as at the date of this Prospectus would be 1,145,498,834 Shares and on completion of the Offer (assuming all Entitlements are accepted, and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 1,431,823,463 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.4 Pro-forma balance sheet

The audited balance sheet as at 30 June 2023 and the unaudited pro-forma balance sheet adjustments in the period 1 July 2023 to 30 September 2023 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position for major items.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	AUDITED 30 June 2023 \$	PROFORMA As at 30 September 2023 \$
CURRENT ASSETS		
CURRENT ASSETS		
Cash	771,393	2,004,722
Other current assets	328,347	328,347
TOTAL CURRENT ASSETS	1,099,740	2,333,069
NON-CURRENT ASSETS		
Plant and equipment	4,949	4,949
TOTAL NON-CURRENT ASSETS	4,949	4,949

	AUDITED 30 June 2023 \$	PROFORMA As at 30 September 2023 \$
TOTAL ASSETS	1,104,689	2,338,018
CURRENT LIABILITIES		
Creditors and borrowings	975,704	975,704
Provisions	4,641	4,641
TOTAL CURRENT LIABILITIES	980,345	980,345
TOTAL LIABILITIES	980,345	980,345
NET ASSETS (LIABILITIES)	124,344	1,357,673
EQUITY		
Share capital	62,689,099	63,922,428
Options Reserve	7,103,200	7,103,200
Retained loss	(69,667,955)	(69,667,955)
TOTAL EQUITY	124,344	1,357,673

Notes:

1. Amount being raised pursuant to fully underwritten rights issue of \$1,427,353.
2. Fees payable to Underwriter totalling \$145,641, comprising fees of 6% of moneys raised pursuant to this Offer and a corporate advisory fee of \$60,000.
3. Other expenses of the offer of \$48,383 (refer Section 6.9).

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of

the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 Terms of New Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for 1 Share upon exercise of the New Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.015 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00pm (WST) on 30 December 2025 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 business days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.

(k) **Change in exercise price**

An New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(l) **Transferability**

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

5. RISK FACTORS

5.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

Risk Category	Risk
Uranium Related Risk	Unique political, technological and environmental factors affect the uranium exploration and broader nuclear industry, exposing it to the risk of public opinion, which could have a negative effect on the demand for nuclear power and increase the regulation of the nuclear power industry. An accident at a nuclear reactor anywhere in the world could affect acceptance of nuclear energy and the future prospects for nuclear generation and therefore uranium exploration. The Company anticipates that debate on the relative dangers and benefits of uranium as an energy source will be ongoing. The mining, milling, sale and export of uranium and other radioactive substances is highly regulated, both at Commonwealth and State or Territory level. Various permits, approvals and licences would need to be obtained from both the State and Commonwealth authorities prior to the grant of a mining lease for uranium production. These processes are complex and lengthy and subject to change. There is no guarantee that required permissions will be granted. The policy settings of the current Western Australian government are not supportive of uranium mining as at the date of this Prospectus and, at present, no person or entity is presently able to mine uranium in Western Australia. This policy setting may change in the future.

Risk Category	Risk
	As such the Company may be unable to obtain any further approvals it needs from regulatory bodies in Western Australia to mine uranium from its tenements, whether at all or on conditions which are reasonably acceptable to the Company. If the Company's projects are progressed to mineral production, the revenue it will derive through the sale of product exposes the Company to uranium price and exchange rate risks. Spot uranium prices and long-term uranium contract prices are affected by many factors beyond the control of the Company. Such factors include amount of supply by primary uranium producers or from the secondary uranium market, as well as potential changes in demand arising from issues such as technological changes in the energy market (resulting in an alternative base-load low carbon emissions option).
Potential for dilution	In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 15.95% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus). No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 23.13% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters. The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.011 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.
Additional requirements for capital	The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.
Going Concern	The Company's annual report for the financial year ended 30 June 2023 (Financial Report) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern. Notwithstanding the 'going concern' qualification included in the Financial Report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short term working capital requirements.

Risk Category	Risk
	In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.
Climate Risk	There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include: (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.
Coronavirus (COVID-19)	The coronavirus (COVID-19) is continuing to impact global markets, commodity prices and foreign exchange rates. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The COVID-19 pandemic may also give rise to supply chain disruptions or fluctuations in the availability of equipment which may cause delays or cost increases. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders. The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.
Related Party Risk	The Company has a number of key contractual relationships with related parties. If these relationships breakdown and the related party agreements are terminated, there is a risk that the Company may not be able to find a satisfactory replacement. Further, the operations of the Company will require involvement of related parties and other third parties including suppliers, manufacturers and customers. With respect to these persons and

Risk Category	Risk
	despite applying best practice in terms of pre-contracting due diligence, the Company is unable to completely avoid the risk of: (c) financial failure or default by a participant in any agreement to which the Company may become a party; and/or (d) insolvency, default on performance or delivery by any operators, contractors or service providers. There is also a risk that where the Company has engaged a contractor who is a related party, the contract between the contractor and the Company may terminate for reasons outside of the control of the Company. This may then result in the termination of the contract between the Company and the contractor and the impact the Company's position, performance and reputation.

5.3 Industry specific

Risk Category	Risk
Environmental	The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations. The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities. In this regard, the Department of Mines, Industry Regulation and Safety in Western Australia and the Earth Resource Regulation in Victoria from time to time reviews the environmental bonds that are placed on tenements. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.
Exploration	The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

Risk Category	Risk
	There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company. The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its Tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Tenements, a reduction in the case reserves of the Company and possible relinquishment of the Tenements. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.
Metallurgy risk	When compared with many industrial and commercial operations, mining exploration projects are high risk. Each ore body is unique and the nature of the mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining can never be wholly predicted. Estimations of a mineral deposit are not precise calculations but are based on interpretation and on samples from drilling which represent a very small sample of the entire ore body. Reconciliation of past production and reserves, where available, can confirm the reasonableness of past estimates, but cannot categorically confirm accuracy of future projections. The applications of metallurgical test work results and conclusions to the process design, recoveries and throughput depend on the accuracy of the test work and assumption that the sample tests are representative of the ore body as a whole. There is a risk associated with the scale-up of laboratory and pilot plant results to a commercial scale and with the subsequent design and construction of any plant.
Mine development	Possible future development of a mining operation at any of the Company's Projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

Risk Category	Risk
	If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its Projects. The risks associated with the development of a mine will be considered in full should the Projects reach that stage and will be managed with ongoing consideration of stakeholder interests.
Occupational health and safety risk	The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. Mining activities have inherent risks and hazards. The Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems.
Operational risks	The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, insufficient or unreliable infrastructure such as power, water and transport, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.
Resource estimates	The Company presently has a JORC Code compliant resource on the Bennet Well tenement. An Exploration Target is conceptual in nature and is therefore an approximation. There is insufficient exploration drilling to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. In the event a resource is delineated this would be an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

Risk Category	Risk
Safety	Safety is a fundamental risk for any exploration and production company in relation to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.
Failure to satisfy Expenditure Commitments	Interests in tenements in Western Australia are governed by the mining acts and regulations that are current in Western Australia and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

5.4 General risks

Risk Category	Risk
Economic	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.
Market conditions	Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: (e) general economic outlook; (f) introduction of tax reform or other new legislation; (g) interest rates and inflation rates; (h) changes in investor sentiment toward particular market sectors; (i) the demand for, and supply of, capital; and (j) terrorism or other hostilities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Risk Category	Risk
Litigation risks	The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.
Dividends	Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.
Taxation	The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.
General Economic Conditions	General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities. General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

5.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company, apart from the ongoing dispute with Cyclone Metals Limited for a claimed loss and damage of \$140,012.41. Please refer to the Company's ASX announcement on 10 March 2022 for further details.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
09/10/23	Revised Indicative Timetable for Rights Issue
09/10/23	Melrose EM Survey Identifies Several Drill Targets
06/10/23	Appendix 3B – Rights Issue

Date	Description of Announcement
06/10/23	Appendix 3B - Placement
06/10/23	Placement and Rights Issue to raise Circa \$1.6M
04/10/23	Trading Halt

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website <https://www.cauldronenergy.com.au/>.

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares and New Options are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.014	29 September 2023
Lowest	\$0.006	6 September 2023
Last	\$0.010	9 October 2023

6.4 Underwriting Agreement

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with Canaccord, pursuant to which Canaccord has agreed to fully underwrite the Offer.

The Underwriter may appoint sub-underwriters to sub-underwrite the Offer. The appointment of any sub-underwriter and the allocation of any Underwritten Securities is at the sole discretion of the Underwriter, subject to ensuring that no sub-underwriter (together with their associates) acquires a relevant interest in more than 19.99% of the issued share capital of the Company.

The material terms and conditions of the Underwriting Agreement are summarised below:

Fees	The Company has agreed to pay the Underwriter the following fees in consideration for acting as Underwriter to the Offer: (a) an underwriting fee equal to 4% of the total gross amount raised under the Offer; (b) an issue management fee of 2% of the total gross amount raised under the Offer; and (c) a corporate advisory fee of \$60,000 plus GST for its services in managing the Offer.
Underwriter Options	The Company has also agreed to issue the Underwriter (or their nominee/s) 52,864,926 New Options.

Reimbursement of Expenses	In addition, the Company agrees to reimburse the Underwriter for all costs, expenses and disbursements (including any applicable GST) reasonably incurred by the Underwriter in relation to the Offer and the Underwriting Agreement, including legal fees up to a maximum of \$10,000. The Underwriter is to obtain the written consent of the Company, which consent must not be unreasonably withheld, prior to incurring any individual cost, expense or disbursement (excluding legal fees) greater than \$2,000.
Termination Events	The Underwriter, without cost or liability to themselves and without prejudice, may by written notice to the Company, terminate its obligations under the Underwriting Agreement upon or at any time prior to completion of the Offer if: (a) (Indices fall): either of the All Ordinaries Index or the S&P/ASX Small Ordinaries Index as published by ASX is at any time after the date of the Underwriting Agreement, at a level that is 7.5% or more below its respective level as at the close of business on the business day prior to the date of the Underwriting Agreement; or (b) (Share Price): the Shares of the Company that trade on the ASX under the ASX code of "CXU" close lower than the \$0.009 for three consecutive days; or (c) (No Official Quotation): Official Quotation has not been applied for in respect of all the Shares by the shortfall notice deadline date or, having been applied for, is subsequently withdrawn, withheld or qualified; or (d) (Supplementary Prospectus): (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence of a Termination Event (described below), forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require; or (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter; or (e) (Non-compliance with disclosure requirements): it transpires that the Prospectus does not contain all the information required by the Corporations Act; or (f) (Misleading Prospectus): it transpires that there is a statement in the Prospectus that is misleading or deceptive in a material respect or likely to mislead or deceive in a material respect, or that there is a material omission from the Prospectus or if any statement in the Prospectus becomes misleading or deceptive in a material respect or likely to mislead or deceive in a material respect or if the issue of the Prospectus is or becomes misleading or deceptive in a material respect or likely to mislead or deceive in a material respect; (g) (Restriction on allotment): the Company is prevented from allotting the Securities within the time required by the Underwriting Agreement, the Corporations Act, the ASX Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;

- (h) (Withdrawal of consent to Prospectus): any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (i) (ASIC application): an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the shortfall notice deadline date has arrived, and that application has not been dismissed or withdrawn;
- (j) (Takeovers Panel): the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (k) (Hostilities): there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Japan, Russia, the United Kingdom, the United States of America, France, North Korea, the People's Republic of China, Israel or any member of the European Union;
- (l) (Authorisation) any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter (acting reasonably);
- (m) (Indictable offence): a director or senior manager of the Company or a subsidiary of the Company (a **Relevant Company**) is charged with an indictable offence;
- (n) *(Default): default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking which is not remedied by the Company within 5 business days of notification by the Underwriter;
- (o) *(Incorrect or untrue representation): any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
- (p) *(Contravention of constitution or Act): a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (q) *(Adverse change): an event occurs which gives rise to a material adverse effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (r) *(Error in Due Diligence Results): it transpires that any of the due diligence results or any part of the verification material was false, misleading or deceptive in a material respect or that there was a material omission from them;
- (s) *(Significant change): a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (t) *(Public statements): without the prior approval of the Underwriter a public statement is made by the Company in

- relation to the Offer, the Issue or the Prospectus except where such statement is required by law or the Listing Rules;
- (u) *(Misleading information): any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the issue of the Securities or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
 - (v) *(Official Quotation qualified): the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation";
 - (w) *(Change in Act or policy): there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy which if enacted would have a material adverse effect;
 - (x) *(Prescribed Occurrence): a prescribed occurrence as defined in the Underwriting Agreement occurs;
 - (y) *(Suspension of debt payments): the Company suspends payment of its debts generally;
 - (z) *(Event of Insolvency): an event of insolvency as defined in the Underwriting Agreement occurs in respect of a Relevant Company;
 - (aa) *(Judgment against a Relevant Company): a judgment in an amount exceeding \$50,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
 - (bb) *(Litigation): material litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any Relevant Company, other than any claims disclosed to the Underwriter in writing prior to the date of the Underwriting Agreement or foreshadowed in the Prospectus;
 - (cc) *(Board and senior management composition): there is a change in the composition of the Board or a change in the senior management of the Company before completion of the Offer without the prior written consent of the Underwriter (acting reasonably);
 - (dd) *(Change in shareholdings): there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
 - (ee) *(Timetable): there is a delay in any specified date in the Timetable which is greater than 3 business days, without the written consent of the Underwriter (such consent not to be unreasonably withheld or delayed);
 - (ff) *(Force Majeure): a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
 - (gg) *(Certain resolutions passed): a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;

	(hh) *(Capital Structure): any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus or the Placement documentation except in respect of the exercise of options on issue at the date of the Underwriting Agreement or the issue of convertible securities under the Company's employee incentive plan; (ii) *(Investigation): any person is appointed under any legislation in respect of companies to investigate the affairs of a Relevant Company; or (jj) *(Market Conditions): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets. No event specified in any paragraph above marked with an asterisk (*) will entitle the Underwriter to exercise its rights to terminate its obligations under the Underwriting Agreement unless, in the reasonable opinion of the Underwriter the event has or is likely to have, or two events together have or are likely to have: (a) a material adverse effect on the outcome of the Offer or on the subsequent market for the Shares the subject of the Offer (including, without limitation, matters likely to have a material adverse effect on a decision of Shareholder to invest under the Offer); or (b) a material adverse effect on the assets, condition, trading or financial position, performance, profits and losses, results, prospects, business or operations of the Company and its subsidiaries either individually or taken as a whole, ((a) and (b) above being a Material Adverse Effect); or (c) could give rise to a liability of Canaccord under the Corporations Act or otherwise
Indemnity	The Company will indemnify and keep indemnified the Underwriter and its officers, employees, agents and advisers joint and severally and hold them harmless from and against all prosecutions, losses, penalties, actions, suits, claims, expenses, costs liabilities, charges, outgoings, payments, demands and proceedings (whether civil or criminal) (suffered, incurred, paid or liable to be paid directly or indirectly arising out of or in respect of: (a) the Offer; (b) the Placement; (c) non-compliance by the Company with or breach of any legal requirement or the ASX Listing Rules in relation to the Prospectus or any documents in respect of the Offer which accompany the Prospectus; (d) any statement, misstatement, misrepresentation, non-disclosure, inaccuracy in or omission from the Prospectus, or any documents in respect of the Offer which accompany the Prospectus; (e) any advertising, publicity, announcements, statements and reports in relation to the Offer made with the agreement of the Company; or (f) any breach or failure by the Company to observe any of the terms of the Underwriting Agreement or any breach of the representations and warranties given by the Company in the Underwriting Agreement.

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

6.5 Sub-Underwriting Agreements

The Underwriter has entered into a number of sub-underwriting agreements in respect of the Shortfall Securities, including sub-underwriting agreements with Ian Mulholland and Cumulus Wealth (or their nominee/s), pursuant to which they have agreed to sub-underwrite the Offer (**Sub-Underwriting Agreements**) on the following material terms:

- (a) Mr Mulholland agrees to sub-underwrite \$50,000 (5,555,556 Shares and 1,851,852 New Options);
- (b) Cumulus Wealth agrees to sub-underwrite up to \$475,784.33 (52,864,926 Shares and 17,621,642 New Options); and
- (c) the Sub-Underwriting Agreements shall terminate if the Underwriters' obligations under the Underwriting Agreement cease or are terminated.

The Sub-Underwriting Agreements are otherwise made on terms and conditions considered standard for an agreement of this nature.

6.6 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.5.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$750,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 2023 Annual Report.

Director	FY ended 30 June 2023	FY ending 30 June 2024
Ian Mulholland	\$89,920	\$60,000
Qiu Derong	\$44,607	\$36,000
Judy Li	\$44,607	\$36,000
Chenchong Zhou	\$44,607	\$36,000
Michael Fry	\$110,700	\$113,400

6.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:

- (i) its formation or promotion; or
- (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Canaccord Genuity (Australia) Limited and Cumulus Wealth have acted as the co-lead managers and underwriter (Canaccord only) of the Offer. The Company estimates it will pay Canaccord and Cumulus Wealth \$145,641 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Canaccord received \$127,815 (excluding GST and disbursements) for underwriting services provided to the Company. Cumulus Wealth have not received any fees from the Company in this time.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$47,209.31 (excluding GST and disbursements) for legal services provided to the Company.

6.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Canaccord Genuity (Australia) Limited has given its written consent to being named as the lead manager and underwriter to the Offer in this Prospectus. Canaccord Genuity (Australia) Limited (including its related entities) is not a

Shareholder of the Company and currently has no relevant interest in any of the Company's securities.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

BDO Audit (WA) Pty Ltd has given its written consent to the inclusion of the 30 June 2023 audited balance sheet of the Company in Section 3.4. BDO Audit (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

6.9 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$194,024 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	7,177
Underwriting & management fee	85,641
Corporate advisory fee	60,000
Legal fees	20,000
Printing and distribution	15,000
Miscellaneous	3,000
Total	194,024

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Ian Mulholland
Non-Executive Director and Chairman
Cauldron Energy Limited

8. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

Company or **Cauldron** means Cauldron Energy Limited (ACN 102 912 783).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means Customer Reference Number in relation to BPAY®.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Offer.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Exercise Price means the exercise price of the New Options being \$0.015.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand or Hong Kong.

Lead Manager or **Underwriter** means Canaccord Genuity (Australia) Limited (AFSL 234 666).

New Option means an Option issued on the terms set out in Section 4.2.

Offer means the renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement has the meaning given in Section 1.3.

Placement Shares has the meaning given in Section 1.3.

Performance Right means a right to acquire a Share.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Offer (if any).

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.7.

Shortfall Securities means those Securities not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

Underwritten Amount means the full amount to be raised under the Offer, being approximately \$1,427,353.

Underwriter Offer means the offer of one (1) New Option for every three (3) Shares issued under the Offer to the Underwriters (or their nominee/s) pursuant to the Underwriting Agreement.

WST means Western Standard Time as observed in Perth, Western Australia.