



CAULDRON ENERGY LIMITED
ACN 102 912 783
NOTICE OF ANNUAL GENERAL MEETING

TIME: 11:00am (WST)
DATE: Wednesday, 27 November 2019
PLACE: Ground Floor, 20 Kings Park Road, West Perth, Western Australia 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional adviser(s) prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6462 1421.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 11:00am (WST) on Wednesday, 27 November 2019 at Ground Floor, 20 Kings Park Road, West Perth, Western Australia 6008.

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders by 11:00am on Monday, 25 November 2019.

Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X (3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholder and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies, which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB (1) of the Corporations Act provides that an appointment of proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the Chair at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-Chair proxy to Chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the Chair; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; and
 - the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Corporate representatives

If a representative of a corporate shareholder or a corporate proxyholder will be attending the Meeting, the representative will need to lodge an original (or certified copy certified by a notary) of the instrument under which he/she has been appointed at the Registered Office of the Company at 137 Lake Street, Perth, WA 6000 at least 48 hours prior to the time of holding of the Meeting. Refer example Corporate Representative Form on Page 13.

To be valid an instrument of appointment under which a representative has been appointed as proxy must be to the satisfaction of the Directors.

A proxy must be signed, if the member is a corporation, under its common seal or under the hand of an authorised officer or attorney.

Other Information

Resolutions are not interdependent

The resolutions in this Notice of Meeting are not inter-dependent. This means that a resolution may be passed by Shareholders notwithstanding that one or more of the other resolutions are not passed by Shareholders.

Chairperson of the Meeting

It is proposed that the Chairperson of the Meeting for each of the Resolutions be Mr Simon Youds, and where Mr Youds has a personal interest in the outcome of a resolution, by Mr Jess Oram. It is the Chairperson's intention to vote undirected proxies (i.e. open proxies) which the Chairperson holds as proxy in favour of all resolutions.

BUSINESS OF THE MEETING

Notice is hereby given that the Meeting of Shareholders will be held at 11:00am (WST) on Wednesday, 27 November 2019 at Ground Floor, 20 Kings Park Road, West Perth, Western Australia 6008.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and the Explanatory Statement are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

1. ANNUAL REPORT

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2019 (**2019 Annual Report**), which includes the Directors' Report, the Remuneration Report, Financial Statements, Notes to the Financial Statements and the independent Auditor's Report.

Short Explanation: There is no requirement for Shareholders to approve the 2019 Annual Report. The tabling of the 2019 Annual Report provides an opportunity for Shareholders to ask questions related to the 2019 Annual Report or make comment.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding ordinary resolution**:

"That, for the purpose of Section 250R (2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's 2019 Annual Report."

Short Explanation: The Meeting of a listed company must propose that the Remuneration Report be adopted by Shareholders.

Note: This resolution is advisory only and does not bind the Company or its Directors. The Directors will consider the outcome of the vote and comments made by shareholders on the remuneration report at the meeting when reviewing the Company's remuneration policies.

Voting Exclusion Statement: Pursuant to section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by, or on behalf, a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of a member of the Key Management Personnel (each, an **Excluded Person**).

However, the Excluded Person may cast a vote on this Resolution if:

- (a) the vote is not cast on behalf of another Excluded Person and they have appointed as proxy by writing that specifies how the proxy is to vote on the resolution; or
- (b) the Excluded Person is the Chair and the appointment of the Chair does not specify the way the proxy is to vote on this Resolution, and expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Recommendation: The directors recommend you vote in favour of this resolution.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR SIMON YOUDS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Rule 13.4 of the Company's Constitution and for all other purposes, Mr Simon Youds, a director of the Company who was appointed on 15 March 2019, retires and, being eligible, is re-elected as a director of the Company."

Short Explanation: Pursuant to Rule 13.4 of the Company's Constitution, if a Director is appointed to fill a casual vacancy or as an addition to the existing Directors, as in the case of Mr Youds, the director appointed holds office only until the next annual general meeting. A director who retires in accordance with Rule 13.4 of the Company's Constitution is eligible for re-election at the annual general meeting.

Voting Exclusion: Nil

Recommendation: The Directors (Mr Youds abstaining) recommend you vote in favour of this resolution.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MS JUDY LIU

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, Ms Judy Li, being a Director of the Company, retires by rotation in accordance with the Constitution of the Company, and being eligible for re-election, be hereby re-elected as a Director of the Company."

Short Explanation: Pursuant to Rule 13.2 of the Company's Constitution, if the Company has 3 or more Directors, one third of the Directors (rounded to the nearest whole number) must retire at each annual general meeting. A director who retires in accordance with Rule 11.3 of the Constitution is eligible for re-election at the annual general meeting.

Voting Exclusion: Nil

Recommendation: The Directors (Ms Li abstaining) recommend you vote in favour of this resolution.

5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR CHENGCHONG ZHOU

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, Mr Chengchong Zhou, being a Director of the Company, retires by rotation in accordance with the Constitution of the Company, and being eligible for re-election, be hereby re-elected as a Director of the Company."

Short Explanation: Pursuant to Rule 13.2 of the Company's Constitution, if the Company has 3 or more Directors, one third of the Directors (rounded to the nearest whole number) must retire at each annual general meeting. A director who retires in accordance with Rule 11.3 of the Constitution is eligible for re-election at the annual general meeting.

Voting Exclusion: Nil

Recommendation: The Directors (Mr Zhou abstaining) recommend you vote in favour of this resolution.

SPECIAL BUSINESS

6. RESOLUTION 5 – 10% ENHANCED PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement."

Short Explanation: Pursuant to ASX Listing Rule 7.1A an eligible company may seek approval from its Shareholders to increase its placement capacity by 10%, from 15% to 25%. Cauldron Energy Limited is an eligible company as at the date of this Notice of Meeting, and expects to remain so up until the date of the Meeting.

Voting Exclusion: the Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of the those persons.

However, the Company need not disregard a vote on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form to vote as the proxy decides.

Recommendation: The directors recommend you vote in favour of this resolution.

Dated: 10 October 2019

By order of the Board of Directors



Mr Michael Fry
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

The Explanatory Statement should be read in conjunction with the Notice of Meeting.

Shareholders should read the Notice of Meeting and this Explanatory Statement carefully before deciding how to vote on the resolutions.

ANNUAL REPORT

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the 2019 Annual Report of the Company.

The Company will not provide a hard copy of the Company's 2019 Annual Report to Shareholders unless specifically requested to do so. The Company's 2019 Annual Report is available at www.cauldronenergy.com.au.

There is no requirement for Shareholders to approve the 2019 Annual Report.

Shareholders will be offered the following opportunities:

- (i) to discuss the 2019 Annual Report.
- (ii) to ask questions or make comment on the management of the Company.
- (iii) to ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (i) the preparation and content of the auditor's report;
 - (ii) the conduct of the audit;
 - (iii) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - (iv) the independence of the auditor in relation to the conduct of the audit,
- may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

The Corporations Act requires that at a company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the director's report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

1.2 Voting consequences

If 25% or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive annual general meetings, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company ("Spill Resolution").

If more than 50% of votes cast are in favour of the resolution, the company must convene a shareholder meeting within 90 days of the second annual general meeting ("Spill Meeting").

If a Spill Resolution is passed, all of the directors of the company in office, excluding the Company's Managing Director, and who remain in office at the time of the Spill Meeting, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

1.3 Previous voting results

At last year's annual general meeting, the votes cast against the adoption of the remuneration report represented less than 25% of the total votes cast and accordingly, a spill resolution is not required under any circumstances to be put at the Meeting.

1.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel ¹	Vote as directed	Unable to vote ³
Chair ²	Vote as directed	Able to vote at discretion of Proxy ⁴
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

¹ Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

² Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

³ Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

⁴ The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

1.5 Board recommendation

The Remuneration Report forms part of the Directors' Report, made in accordance with a unanimous resolution of the Directors. **The Board recommends that Shareholders vote in favour of Resolution 1.** The Chair intends to vote undirected proxies in favour of this resolution.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR - MR SIMON YOUDS

Clause 13.4 of the Company's Constitution requires that if a Director is appointed to fill a casual vacancy or as an addition to the existing Directors, as in the case of Mr Youds who was appointed as a director on 15 March 2019, the director appointed holds office only until the next annual general meeting of the Company. A director who retires in accordance with Rule 13.4 of the Company's Constitution is eligible for re-election at the annual general meeting.

Listing Rule 14.4 similarly provides that a Director appointed to fill a casual vacancy or as an addition to the Board, must not hold office without re-election past the next annual general meeting.

Mr Youds retires at the Meeting in accordance with the Company's Constitution and Listing Rules and, being eligible, has offered himself for re-election at the Meeting.

Qualifications and other material directorships

Mr Youds is currently the Chief Executive Officer of ASX-listed company Vector Resources Ltd. He is former Chief Executive Officer of African Iron, an iron ore explorer in the Republic of Congo, where he facilitated a A\$388 million deal for its purchase by Exxaro Resources.

Mr Youds was Managing Director, Australia, of Consolidated Minerals Limited, which owned and operated the Woodie Woodie and Coobina manganese and chromite mining operations, located in the Pilbara region of Western Australia. Mr Youds also spent five years working as a member of the WMC team at Olympic Dam in South Australia developing the world's largest uranium deposit. In addition, Mr Youds held various operating and development roles at the Bibiani Gold Mine in Ghana and the Bulyanhulu and North Mara Gold Mines in Tanzania.

Mr Youds has a Bachelor of Engineering (B.Eng) in Mining and holds an MBA degree from Deakin University, Victoria, and is a member of the Australasian Institute of Mining and Metallurgy.

Independence

Mr Youds is not a substantial holder and has no position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected the board considers Mr Youds will be an independent director.

Board recommendation

The Board (Mr Youds abstaining) has considered Mr Youds' candidacy in respect of his individual merits and contribution to the Board's composition and supports the re-election of Mr Youds and **recommends that Shareholders vote in favour of Resolution 2**. The Chair intends to vote undirected proxies in favour of this resolution.

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MS JUDY LI

Clause 13.2 of the Company's Constitution requires that one third of the Directors (rounded to the nearest whole number), to retire by rotation, other than a Managing Director, at each annual general meeting of the Company. A director who retires in accordance with Rule 13.2 of the Company's Constitution is eligible for re-election at the annual general meeting.

Listing Rule 14.4 prevents a Director from holding office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is the longer. In addition, Listing Rule 14.5 provides that a company that has directors must hold an election of directors each year.

Ms Li retires at the Meeting in accordance with the Company's Constitution and Listing Rules and, being eligible, has offered herself for re-election at the Meeting.

Qualifications and other material directorships

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

Independence

Ms Li is not a substantial holder and has no position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect her capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected the board considers Ms Li will be an independent director.

Board recommendation

The Board (Ms Li abstaining) has considered Ms Li's candidacy in respect of her individual merits and contribution to the Board's composition and supports the re-election of Ms Li and **recommends that Shareholders vote in favour of Resolution 3**. The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

4. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR CHENGCHONG ZHOU

Clause 13.2 of the Company's Constitution requires that one third of the Directors (rounded to the nearest whole number), to retire by rotation, other than a Managing Director, at each annual general meeting of the Company. A director who retires in accordance with Rule 13.2 of the Company's Constitution is eligible for re-election at the annual general meeting.

Listing Rule 14.4 prevents a Director from holding office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is the longer. In addition, Listing Rule 14.5 provides that a company that has directors must hold an election of directors each year.

Mr Zhou retires at the Meeting in accordance with the Company's Constitution and Listing Rules and, being eligible, has offered himself for re-election at the Meeting.

Qualifications and other material directorships

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

Independence

Mr Zhou is not a substantial holder and has no position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected the board considers Mr Zhou will be an independent director.

Board recommendation

The Board (Mr Zhou abstaining) has considered Mr Zhou's candidacy in respect of his individual merits and contribution to the Board's composition and supports the re-election of Mr Zhou and **recommends that Shareholders vote in favour of Resolution 4**. The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

5. RESOLUTION 5 – 10% ENHANCED PLACEMENT FACILITY

5.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued ordinary share capital through placements over a 12-month period after the annual general meeting (**10% Enhanced Placement Facility**). The 10% Enhanced Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less as at the date of its annual general meeting. The Company is an eligible entity as at the time of this Notice of Meeting and expects to remain so up to and including the date of the Annual General Meeting as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$5.268 million.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Enhanced Placement Facility.

The exact number of Equity Securities to be issued under the 10% Enhanced Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see section 1.1(c) below).

5.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Enhanced Placement Facility is subject to Shareholder approval by way of a special resolution at the Meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Enhanced Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company currently has one quoted class of Equity Securities on issue, being the Shares (ASX Code: CXU).

(c) Formula for calculating 10% Enhanced Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

A is the number of Shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid Shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid Shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid Shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%;

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice of Meeting, the Company has 329,289,708 Shares on issue. Therefore, subject to Shareholder approval the Company will have a capacity to issue:

- (i) 49,393,456 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being obtained under Resolution 5, 32,928,970 Equity Securities under Listing Rule 7.1A.1.

The actual number of Equity Securities that the Company will have the capacity to issue under Listing Rule 7.1 A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to (c) above) and so is subject to change.

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Enhanced Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

5.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Enhanced Placement Facility as follows:

(a) Risk of economic and voting dilution

If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Enhanced Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the potential dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities (being variable "A" as calculated in accordance with the formula in Listing Rule 7.1A.2) on issue as at the date of this Notice of Meeting.

The table shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

The table has been prepared on the following assumptions:

The Company issues the maximum number of Equity Securities available under the 10% Enhanced Placement Facility.

- (i) No other Shares are issued before the date of the issue of the Equity Securities.
- (ii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on the Shareholder's holding at the date of the Meeting.
- (iv) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (v) The issues of Equity Securities under the 10% Enhanced Placement Facility consists only of Shares.
- (vi) The issue price is \$0.016, being the closing price of the Shares on ASX on 2 October 2019.
- (vii) There are currently 329,298,708 Shares on issue.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.008 50% decrease in Issue Price	\$0.016 Issue price	\$0.024 100% increase in Issue Price
Current Variable A 329,298,708 Shares	10% Voting Dilution Funds raised	32,929,870 Shares \$263,438.96	32,929,870 Shares \$526,877.92	32,929,870 Shares \$790,316.88
50% increase in current Variable A 493,934,562 Shares	10% Voting Dilution Funds raised	49,393,456 Shares \$395,147.65	49,393,456 Shares \$790,295.30	49,393,456 Shares \$1,185,442.94
100% increase in current Variable A 658,579,416 Shares	10% Voting Dilution Funds raised	65,857,941 Shares \$526,863.53	65,857,941 Shares \$1,053,727.06	65,857,941 Shares \$1,580,590.58

(b) Purpose of issue under 10% Enhanced Placement Facility

The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration for the acquisition of the new assets or investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards continued exploration and feasibility study expenditure on the Company's portfolio of assets and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

(c) Allocation under the 10% Placement Capacity

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Enhanced Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Enhanced Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, the allottees under the 10% Enhanced Placement Facility may include the vendors of the new assets or investments.

(d) Previous approval under ASX Listing Rule 7.1A

The Company obtained approval under ASX Listing Rule 7.1A at the 2018 annual general meeting held on 22 November 2018.

In the 12 months preceding the date of the Meeting, being on and from 22 November 2018, the Company has issued nil Shares and Options.

(e) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues equity securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of all the allottees of the equity securities and the number of equity securities allotted to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- (ii) the information required by ASX Listing Rule 3.10.5A for release to the market.

(f) Voting Exclusion Statement

A voting exclusion statement is set out in the Notice of Meeting.

6. GENERAL INFORMATION

Shareholders who require further information regarding the Meeting should contact the Company Secretary prior to the Meeting on +61 8 6462 1421 during normal business hours in Western Australia.

GLOSSARY

\$ means Australian dollars

2019 Annual Report means the annual report of the Company and its controlled entities for the year ended 30 June 2019, including the Directors' Report, the Remuneration Report, Financial Statements, Notes to the Financial Statements and the independent Auditor's Report.

AGM or **Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

ASX means ASX Limited ACN 008 624 691 or the securities exchange operated by it, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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.

Chair means the chair of the Meeting.

Closely Related Party of a member of the key Management Personnel means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Cauldron Energy Limited ACN 102 912 783.

Constitution means the Company's Constitution, as amended from time to time.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a current director of the Company.

Equity Securities has the meaning given to that phrase in Chapter 19 of the Listing Rules.

Explanatory Memorandum means this Explanatory Memorandum accompanying the Notice of Meeting.

KMP means the key management personnel and has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules published by the ASX.

Meeting or **Annual General Meeting** means the Annual General Meeting of the Shareholders convened for the purposes of considering the Resolutions contained in the Notice of Meeting (and any adjournment of the meeting).

Notice of Meeting means the notice convening the Meeting which accompanies this Explanatory Memorandum and Proxy Form.

Option means an option to subscribe for a Share.

Proxy Form means the proxy form accompanying the Notice of Meeting.

Remuneration Report means the remuneration report contained in the Director's statement in the Company's 2019 Annual Report.

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

Shareholder means a person recorded in the Company's register as a holder of a Share or Shares.

Shareholder Approval means, the approval sought in respect of the Resolutions, as set out in the Notice of Meeting.

Trading Day has the meaning given in Chapter 19 of the Listing Rules.

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

CORPORATE REPRESENTATIVE FORM

Shareholder Details

This is to certify that by a resolution of the Directors of:

..... (**Company**),

Insert name of shareholder company

the Company has appointed:

.....

Insert name of corporate representative

in accordance with the provisions of section 250D of the *Corporations Act 2001*, to act as the body corporate representative of that company at the meeting of the members of CAULDRON ENERGY LIMITED to be held on 27 November 2019 and at any adjournment/s of that meeting.

DATED 2019

Please sign here

Executed by the Company in accordance with its constituent documents)))	
..... Signed by authorised representative	 Signed by authorised representative
..... Name of authorised representative (print)	 Name of authorised representative (print)
..... Position of authorised representative (print)	 Position of authorised representative (print)

Instructions for Completion

- (1) Insert name of appointer Company and the name or position of the appointee (eg "John Smith" or "each director of the Company").
- (2) Execute the Certificate following the procedure required by your Constitution or other constituent documents.
- (3) Print the name and position (eg director) of each company officer who signs this Certificate on behalf of the company.
- (4) Insert the date of execution where indicated.

Send or deliver the Certificate to the registered office of Cauldron Energy Limited at Ground Floor, 20 Kings Park Road West Perth Western Australia 6005.

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LODGE YOUR PROXY APPOINTMENT ONLINE

ONLINE PROXY APPOINTMENT
www.advancedshare.com.au/investor-login

MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

2019 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Cauldron Energy Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the meeting

OR



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at **Ground Floor, 20 Kings Park Road, West Perth, Western Australia 6008 on 27 November 2019 at 11:00am (WST)** and at any adjournment or postponement of that Meeting.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though this resolution is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair. I/we acknowledge the Chair of the Meeting intends to vote all undirected proxies available to them in favour of each Resolution.

VOTING DIRECTIONS
Resolutions

For Against Abstain*

1 Adoption of Remuneration Report

☐ ☐ ☐

2 Re-Election of Director – Mr Simon Youds

☐ ☐ ☐

3 Re-Election of Director – Ms Judy Liu

☐ ☐ ☐

4 Re-Election of Director – Mr Chengchong Zhou

☐ ☐ ☐

5 10% Enhanced Placement Capacity

☐ ☐ ☐


* If you mark the Abstain box for a particular resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

☐

Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolution 1, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolution 1.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy, you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director, who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11:00am (WST) on 25 November 2019, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 9262 3723



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033