



(ABN 22 102 912 783)
AND CONTROLLED ENTITIES

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2020

CAULDRON ENERGY LIMITED

CORPORATE INFORMATION

NON-EXECUTIVE CHAIRMAN

Simon Youds

EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

Jess Oram

NON-EXECUTIVE DIRECTORS

Qiu Derong

Judy Li

Simon Youds

Chenchong Zhou

COMPANY SECRETARY

Michael Fry

PRINCIPAL & REGISTERED OFFICE

Unit 47, Level 2

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West Perth WA 6005

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SHARE REGISTRAR

Advanced Share Registry

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Nedlands WA 6009

Telephone: (08) 9389 8033

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STOCK EXCHANGE LISTING

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: CXU

BANKERS

National Australia Bank

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Perth WA 6000

CAULDRON ENERGY LIMITED

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CAULDRON ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

Your directors present their report together with the financial report on the Group consisting of Cauldron Energy Limited ("**Cauldron**" or "**the Company**") and its controlled entities ("**the Group**") for the financial year ended 30 June 2020 and the auditors' report thereon.

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

DIRECTORS

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

Mr Simon Youds

Non-Executive Director and Chairman

Appointed on 15 March 2019

B.Eng (Mining), MBA, AUSIMM Member

Mr Simon Youds was appointed as a Non-Executive Director and Chairman effective 15 March 2019. 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. In other highlights, Mr Youds was Managing Director, Australia, of Consolidated Minerals Limited, which owned and operated the Woodie Woodie and Coobina manganese and chromite mining operations, located in the Pilbara region of Western Australia. Mr Youds also spent five years working as a member of the WMC team at Olympic Dam in South Australia developing the world's largest uranium deposit. Further in Africa Mr Youds held various operating and development roles at the Bibiani Gold Mine in Ghana and the Bulyanhulu and North Mara Gold Mines in Tanzania. Mr Youds has a Bachelor of Engineering (B.Eng) in Mining and holds an MBA degree from Deakin University, Victoria, and is a member of the Australasian Institute of Mining and Metallurgy.

Directorships of listed companies held within the last 3 years:	Nil
Interest in Shares:	4,172,864 Fully Paid Ordinary Shares
Interest in Options:	Nil
Interest in Performance Rights:	4,000,000

Mr Jess Oram

Executive Director and Chief Executive Officer

Appointed on 1 January 2018

B.Sc, AIG member

Mr Jess Oram was appointed as Chief Executive Officer and Executive Director effective 1 January 2018. Since April 2014, Mr Oram has served the Company as Exploration Manager. Mr Oram has over 25 years' experience in mineral exploration in a wide variety of geological terrains and resource commodities with an accomplished track record in establishing and leading the exploration function of several companies. In uranium, Mr Oram was Chief Exploration Geologist for Heathgate Resources Pty Ltd where he was involved in mining feasibility studies of the Four Mine Uranium deposits and 'team leader' of a group of geoscientists involved in the discovery of the Pepegoona Uranium, Pannikan Uranium and Pannikan West Uranium deposits. Mr Oram has a Bachelor of Science (B.Sc), Geology major from the University of Queensland and is a member of the Australian Institute of Geoscientists (AIG).

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

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

Mr Qiu Derong

Non-Executive Director

Appointed on 6 November 2009

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

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

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

Ms Judy Li

Non-Executive Director

Appointed on 17 December 2014

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

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

Mr Chengchong Zhou

Non-Executive Director

Appointed on 2 May 2017

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

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

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

COMPANY SECRETARY

Michael Fry was appointed Company Secretary of Cauldron on 15 April 2019. Michael holds a Bachelor of Commerce degree from the University of Western Australia and has worked in a variety of senior accounting and advisory roles for over 20 years.

CAULDRON ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

REMUNERATION REPORT (AUDITED)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of Cauldron's directors for the financial year ended 30 June 2020.

KEY MANAGEMENT PERSONNEL

Key Management Personnel includes:

- Simon Youds (Non-executive Chairman)
- Jess Oram (Chief Executive Officer and Executive Director)
- Qiu Derong (Non-executive Director)
- Judy Li (Non-executive Director)
- Chenchong Zhou (Non-executive Director)

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

REMUNERATION POLICY

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

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

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

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

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

REMUNERATION REPORT AT 2019 AGM

The 2019 remuneration report received positive shareholder support at the 2019 Annual General Meeting whereby of the proxies received 99.86% voted in favor of the adoption of the remuneration report.

CAULDRON ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

COMPANY PERFORMANCE AND SHAREHOLDER WEALTH

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

Financial Year	Profit/(loss) after tax \$	Earnings/(loss) per share (cents)	Company Share Price (cents)
30 June 2016	(3,978,324)	(1.49)	6.6
30 June 2017	(11,954,682)	(3.83)	3.4
30 June 2018	173,299	0.05	3.0
30 June 2019	(3,197,797)	(0.97)	1.7
30 June 2020	(1,634,616)	(0.47)	1.6

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

KMP REMUNERATION AND KMP INTEREST IN SECURITIES

Key Management Personnel (**KMP**) remuneration for the year ended 30 June 2020 was:

30 JUNE 2020	SHORT-TERM BENEFITS		LONG-TERM BENEFITS	POST EMPLOYMENT		SHARE BASED PAYMENTS	TOTAL	Remunera- tion performance based
	Salary, Fees & Leave (\$)	Other (\$)	Long Service Leave (\$)	Super- annuation (\$)	Retirement Benefits (\$)	(vi) \$	\$	%
Directors								
Simon Youds (i)	48,000	-	-	-	-	4,237	52,337	8.10%
Jess Oram (ii)	229,388	-	3,706	20,235	-	2,119	255,448	0.83%
Qiu Derong (iii)	36,000	-	-	-	-	1,059	37,059	2.86%
Judy Li (iv)	36,000	-	-	-	-	1,059	37,059	2.86%
Chenchong Zhou (v)	36,000	-	-	-	-	1,059	37,059	2.86%
TOTAL	385,388	-	3,706	20,235	-	9,533	418,962	17.51%

- (i) In his capacity as Non-Executive Chairman, Mr Simon Youds is entitled to a fee of \$48,000 per annum from the date of his appointment (15 March 2019). The Company has entered into a consulting agreement with Youds Mining Consulting Pty Ltd, a company controlled by Mr Simon Youds, for the provision of these services.
- (ii) Mr Jess Oram is an employee of Cauldron. Upon his appointment as Chief Executive Officer and Executive Director of the Company, effective 1 January 2018, Mr Jess Oram is entitled to \$213,000 plus superannuation. In addition, Mr Jess Oram was entitled to a bonus for the year ended 30 June 2019 of up to \$26,100 (inclusive of superannuation) subject to achieving either:
- (a) KPI 1 and KPI 2 and KPI 3; or
 - (b) KPI 4,
- whereby, KPIs are defined as follows:
- KPI 1: Secure title to the core exploration ground at Bennet Well
- KPI 2: Complete either of the following:
- Secure an exploration project, that may or may not be offshore; or
 - Commence the FLT at Bennet Well, and raising of funding
- (c) KPI 3: Reduce cost of non-core projects
- (d) KPI 4: WAP of CXU shares traded on ASX over 10 days being equal to or exceeding \$0.20.
- The performance-based bonus was not achieved in the year ended 30 June 2019. No bonus arrangement was set for the year ended 2020 and as such Mr Oram earned no bonus remuneration in the year ended 30 June 2020.
- (iii) In his capacity as Non-Executive Director, Mr Qiu Derong is entitled to a fee of \$36,000 per annum. The Company has entered into a consulting agreement for the provision of these services. Amounts included in this table represent accrued fees.
- (iv) In her capacity as Non-Executive Director, Ms Judy Li is entitled to a fee of \$36,000 per annum. The Company has entered into a consulting agreement for the provision of these services.
- (v) In his capacity as Non-Executive Director, Mr Chenchong Zhou is entitled to a fee of \$36,000 per annum. A consulting agreement for the provision of services is yet to be executed. Amounts included in this table represent accrued fees.
- (vi) At a Board meeting held on 21 May 2020, the Directors resolved to issue, subject to shareholder approval, performance rights to each of its directors as listed below. Each performance right has the right to convert into one fully paid ordinary share subject to meeting stated performance conditions and the terms of the Company's Performance Rights Plan. At a general meeting of the Company held on 11 August 2020, shareholders approved the issue of the performance rights. For remuneration purposes, the entitlement is calculated from the date of the Directors' resolution on 21 May 2020:

Name of Director	Number
Simon Youds	4,000,000
Jess Oram	2,000,000
Qiu Derong	1,000,000
Judy Li	1,000,000
Chenchong Zhou	1,000,000
	<u>9,000,000</u>

CAULDRON ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

Key Management Personnel remuneration for the year ended 30 June 2019 was:

30 JUNE 2019	SHORT-TERM BENEFITS		LONG-TERM BENEFITS	POST EMPLOYMENT		SHARE BASED PAYMENTS	TOTAL	Remuneration performance based
	Salary, Fees & Leave (\$)	Other (\$)	Long Service Leave (\$)	Super-annuation (\$)	Retirement Benefits (\$)	\$	\$	%
Directors								
Antony Sage (i)	60,000	-	-	-	-	-	60,000	-
Simon Youds (ii)	12,000	-	-	-	-	-	12,000	-
Jess Oram	226,164	-	4,343	20,235	-	-	250,742	-
Qiu Derong	36,000	-	-	-	-	-	36,000	-
Judy Li	36,000	-	-	-	-	-	36,000	-
Nicholas Sage (iii)	23,500	-	-	-	-	-	23,500	-
Chenchong Zhou	36,000	-	-	-	-	-	36,000	-
TOTAL	429,664	-	4,343	20,235	-	-	454,242	-

(i) Mr Sage resigned as Non-Executive Chairman on the 22 November 2018.

(ii) Mr Simon Youds was appointed on 15 March 2019.

(iii) Mr Nicholas Sage retired as a Non-Executive Director on 25 February 2019.

Shareholdings of Key Management Personnel

30 JUNE 2020	Balance 1 July 2019	Issued	Received on option exercise	Net Change Other	Balance 30 June 2020
Directors					
Qiu Derong	47,544,710	-	-	-	47,544,710
Simon Youds	4,172,864	-	-	-	4,172,864
	51,717,574	-	-	-	51,717,574

Option-holdings of Key Management Personnel

There were no options held by key management personnel at 30 June 2020 (30 June 2019: nil), nor were there any options granted, exercised or lapsed during the year ended 30 June 2020.

Performance Rights of Key Management Personnel

During the financial year the Company granted performance rights as a long-term incentive to directors which have been issued under the Performance Rights Plan. Each performance right will vest as an entitlement to one fully paid ordinary share upon achievement of certain performance milestones. If the performance milestones are not met, the performance rights will lapse and the eligible participants will have no entitlement to convert the performance rights into any ordinary shares.

Performance rights are not listed and carry no dividend or voting rights. Upon exercise, each performance right is convertible into one fully paid ordinary share to rank pari passu in all respects with existing fully paid ordinary shares.

Movement in the performance rights for the current period is shown below:

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

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

Grant Date	Measurement Date	Expiry Date	Issue Date	Granted during the year	Balance at period end
11-Aug-20 ¹	21-May-20 ¹	10-Aug-25	16-Sep-20	9,000,000	9,000,000

¹ Performance rights granted to Directors were approved by shareholders on 11 August 2020, however the contractual arrangement between the Company and the directors occurred on 21 May 2020 when the terms of the performance rights were agreed.

CAULDRON ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

Fair value determined as follows:

No. Granted	Exercise Price	Expected Vesting Period	Share price on Grant Date	Fair Value per Performance Right	Total Fair Value
9,000,000	-	21-May-20 to 21-May-23	\$0.029	\$0.029	\$261,000

Milestones associated with the performance rights are as follows:

- Milestone 1:* The volume weighted average price of the Shares as quoted on ASX exceeds \$0.05 each day for a period of not less than 20 consecutive trading days on which the Shares have actually traded; or
- Milestone 2:* Gross Proceeds exceed \$250,000 in any financial year; or
- Milestone 3:* The discovery of an "Inferred Mineral resource" (as that term is defined in the Code) at the Blackwood Gold Project having a contained gold mass of at least 300,000 ounces at a cut-off grade of 2g/t.

(each a Performance Milestone).

Upon achieving any of the above three milestones, the performance rights will be eligible to be converted into shares upon exercise by the holder.

As at 30 June 2020, management believe that the remaining performance and service hurdles will be met and accordingly have recognised a share-based payment expense over the respective vesting periods.

Total expense arising from the above performance rights is \$9,534.

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

Name of Director	Number
Simon Youds	4,000,000
Jess Oram	2,000,000
Qiu Derong	1,000,000
Judy Li	1,000,000
Chenchong Zhou	1,000,000
	<u>9,000,000</u>

End of Audited Remuneration Report.

CAULDRON ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

PRINCIPAL ACTIVITIES

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

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

OPERATING RESULTS

The loss of the Group after providing for income tax amounted to \$1,634,616 (30 June 2019: \$3,197,797 loss).

REVIEW OF OPERATIONS

Cauldron is an Australian exploration company resulting from the merger of Scimitar Resources Limited and Jackson Minerals Limited in 2009. Cauldron retains an experienced board of directors with proven success in the resources sector.

Cauldron has project interests in Western Australia, Victoria and Catamarca (Argentina) prospective for uranium, gold and copper as set out under the heading "Project Information" below.

The following significant transactions and events occurred during the financial year:

Blackwood Gold Project

On 28 November 2019, Cauldron publicly announced that it had entered into a heads of agreement to acquire an initial 51% interest in the Blackwood Gold Project located in central Victoria, with a right to earn up to 80% through achievement of project milestones.

The Blackwood Gold Project incorporates the largely forgotten historic Blackwood Goldfield, from which 220,000 ounces of gold was produced in the period between 1855 and 1890, largely from hard-rock underground mining of gold-rich quartz reef structures.

In December 2019, Cauldron completed its due diligence and committed to proceeding with the Project.

In March 2020, a joint venture agreement was executed, and a joint venture company incorporated – Blackwood Goldfield Joint Venture Pty Ltd, ACN 640 126 638.

Bullarto South Gold Project

On 8 November 2019, Cauldron publicly announced that it had entered into a heads of agreement to acquire an initial 60% interest in the Bullarto South Gold Project located in central Victoria, with a right to earn up to 80% through achievement of project milestones.

The Bullarto South Gold Project lies adjacent to the Blackwood Gold Project.

In December 2019, Cauldron completed its due diligence and committed to proceeding with the Project, subject to the successful grant of Exploration Licence 6804.

As at the date of this report, the application in respect of Exploration Licence 6804 remains pending and there exists growing uncertainty of it being granted.

December 2019 Placement

On 23 December 2019, Cauldron completed a private placement resulting in the issue of 13,666,795 shares at \$0.015 (1.5 cents) per share each, raising a total of \$205,002.

Participants in the Placement also received a free attaching option on a 1 for 2 basis which are exercisable at \$0.03 (3 cents) and which have an expiry of 31 December 2021, resulting in the issue of 6,833,395 unlisted options.

March 2020 Placement

On 24 March 2020, Cauldron completed a private placement resulting in the issue of 33,333,332 shares at \$0.015 (1.5 cents) per share each, raising a total of \$500,000, resulting in the issue of 16,666,666 unlisted options.

Participants in the Placement also received a free attaching option on a 1 for 2 basis which are exercisable at \$0.03 (3 cents) and which have an expiry of 31 December 2021.

CAULDRON ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

PROJECT INFORMATION

YANREY PROJECT, WESTERN AUSTRALIA

The Yanrey Project comprises a collection of twelve granted exploration tenements over an area of 1,270 km² in northwest Western Australia (refer **Figure 1**), one of which secures the Bennet Well Uranium Deposit. The project is prospective of sandstone-style uranium mineralisation capable of extraction by in-situ recovery mining techniques.

The Bennet Well Uranium Deposit is located within the Yanrey Project area and has been the subject of significant amount of exploration over a number of years by Cauldron, refer below.



Figure 1: Map Location of Cauldron Projects

Cauldron has not undertaken field work at Yanrey Project since the announcement on 20 June 2017 of a ban of new uranium mines in Western Australia by minister Bill Johnston. The policy heading for uranium exploration in Western Australia remains uncertain, and Cauldron continues to regularly seek advice from the Minister and the Department of Mines, Industry Regulation and Safety (DMIRS).

Bennet Well

The Bennet Well Uranium Deposit is secured under exploration licence (the same group of licences that form the greater Yanrey Project). The mineralisation at Bennet Well is a shallow accumulation of uranium hosted in unconsolidated sands (less than 100 m downhole depth) in Cretaceous sedimentary units of the North Carnarvon Basin. The Bennet Well deposit is comprised of four spatially separate deposits; namely Bennet Well East, Bennet Well Central, Bennet Well South and Bennet Well Channel.

No development work quantifying the ISR potential Bennet Well deposit has been completed during the year because of the uncertainty surrounding the Labor Government's policy on uranium exploration following their election win in March 2017. The Government has yet to clarify their policy on uranium exploration. Cauldron intends to submit a POW to DMIRS for a potential FLT, when the policy on uranium exploration is clarified and if the standard regulatory system applies.

CAULDRON ENERGY LIMITED

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FOR THE YEAR ENDED 30 JUNE 2020

Bennet Well Mineral Resource

A Mineral Resource (JORC 2012) for the mineralisation at Bennet Well was completed by Ravensgate Mining Industry Consultants following new drilling completed during the reporting period ending 2016. The information on this Mineral Resource was fully reported in ASX announcement dated 17 December 2015, including geological maps and cross sections, supporting and explanatory statements and metadata as required under the reporting standards of JORC2012. No work on the Mineral Resource has been completed since, and therefore remains unchanged for the current reporting period.

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

The Mineral Resource (JORC 2012) estimate is:

- Inferred Resource: 16.9 Mt at 335 ppm eU₃O₈ for total contained uranium-oxide of 12.5 Mlb (5,670t) at 150 ppm cut-off;
- Indicated Resource: 21.9 Mt at 375 ppm eU₃O₈ for total contained uranium-oxide of 18.1 Mlb (8,230t) at 150 ppm cut-off;
- total combined Mineral Resource: 38.9 Mt at 360 ppm eU₃O₈, for total contained uranium-oxide of 30.9 Mlb (13,990t) at 150 ppm cut-off.

Table 1: Mineral Resource at various cut-off

Deposit	Cutoff (ppm U ₃ O ₈)	Deposit Mass (t)	Deposit Grade (ppm eU ₃ O ₈)	Mass U ₃ O ₈ (kg)	Mass U ₃ O ₈ (lbs)
Bennet Well Total	125	39,207,000	355	13,920,000	30,700,000
Bennet Well Total	150	38,871,000	360	13,990,000	30,900,000
Bennet Well Total	175	36,205,000	375	13,580,000	29,900,000
Bennet Well Total	200	34,205,000	385	13,170,000	29,000,000
Bennet Well Total	250	26,484,000	430	11,390,000	25,100,000
Bennet Well Total	300	19,310,000	490	9,460,000	20,900,000
Bennet Well Total	400	10,157,000	620	6,300,000	13,900,000
Bennet Well Total	500	6,494,000	715	4,640,000	10,200,000
Bennet Well Total	800	1,206,000	1175	1,420,000	3,100,000

Deposit	Cutoff (ppm U ₃ O ₈)	Deposit Mass (t)	Deposit Grade (ppm eU ₃ O ₈)	Mass U ₃ O ₈ (kg)	Mass U ₃ O ₈ (lbs)
Bennet Well Indicated	125	22,028,000	375	8,260,000	18,200,000
Bennet Well Indicated	150	21,939,000	375	8,230,000	18,100,000
Bennet Well Indicated	175	21,732,000	380	8,260,000	18,200,000
Bennet Well Indicated	200	20,916,000	385	8,050,000	17,800,000
Bennet Well Indicated	250	17,404,000	415	7,220,000	15,900,000
Bennet Well Indicated	300	13,044,000	465	6,070,000	13,400,000
Bennet Well Indicated	400	7,421,000	560	4,160,000	9,200,000
Bennet Well Indicated	500	4,496,000	635	2,850,000	6,300,000
Bennet Well Indicated	800	353,000	910	320,000	700,000

Deposit	Cutoff (ppm U ₃ O ₈)	Deposit Mass (t)	Deposit Grade (ppm eU ₃ O ₈)	Mass U ₃ O ₈ (kg)	Mass U ₃ O ₈ (lbs)
Bennet Well Inferred	125	17,179,000	335	5,750,000	12,700,000
Bennet Well Inferred	150	16,932,000	335	5,670,000	12,500,000
Bennet Well Inferred	175	14,474,000	365	5,280,000	11,600,000
Bennet Well Inferred	200	13,288,000	380	5,050,000	11,100,000
Bennet Well Inferred	250	9,080,000	455	4,130,000	9,100,000
Bennet Well Inferred	300	6,266,000	535	3,350,000	7,400,000
Bennet Well Inferred	400	2,736,000	780	2,130,000	4,700,000
Bennet Well Inferred	500	1,998,000	900	1,800,000	4,000,000
Bennet Well Inferred	800	853,000	1285	1,100,000	2,400,000

Note: table shows rounded numbers therefore units may not convert nor sum exactly

CAULDRON ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

Tenement Administration: Yanrey

Objection to Cauldron's Applications for exploration licences 08/2666-2668

Cauldron lodged applications for Exploration Licences 08/2666-2668 (E08/2666-2668) on 5 December 2014. Forrest & Forrest Pty Ltd lodged objections against E08/2666-2668 on 6 January 2015. The matters are proceeding through the Warden's Court process.

The Company will inform shareholders of any material developments.

Red Sky Stations Pty Ltd Objection to Tenement Application for E08/2899

Cauldron lodged an application for Exploration Licence 08/2899, on 1 February 2017. Red Sky Stations Pty Ltd lodged Objection #501163 on 15 February 2017 against the tenement application. The matter is proceeding through the Warden's Court process.

The Company will inform shareholders of any material developments.

Cauldron's E08/2385, E08/2386 and E08/2387 Tenement Applications Granted

During the year, the Court of Appeal handed down its unanimous decision in favour of the Company to dismiss Forrest's appeal against the grant of E08/2385, 2386 and 2387. These tenements were granted on 19 January 2018.

RIO COLORADO PROJECT, CATAMARCA (ARGENTINA)

In Argentina, Cauldron controls, through its wholly-owned subsidiary Cauldron Minerals Limited ("Cauldron Minerals"), 445 km² of exploration licences at its 100% owned project, Rio Colorado, in Catamarca. The project is prospective for copper and silver.

No work was completed at the Rio Colorado project during the year.

The Rio Colorado Project is currently in suspension and no work is planned whilst the Company canvasses opportunities for joint venture, farm-in or sale.

BLACKWOOD GOLDFIELD PROJECT, VICTORIA

Cauldron has entered into heads of agreement over the Bullarto South and Blackwood gold projects, lying adjacent to one another south-east of Daylesford, in the highly prospective Central Victorian Goldfields that surround Ballarat (together referred to as **Victorian Gold Projects**).

The Bullarto South Gold Project, which comprises Exploration Licence 6804, and the Blackwood Gold Project, which comprises Exploration Licence 5479, together cover an area of 160 km² and secure the most significant portion of the highly prospective Blackwood Goldfield.

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

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

On 12 December 2019, Cauldron announced that it had completed its legal and technical due diligence in relation to both projects, and wished to proceed.

In March 2020, a joint venture agreement was executed with the vendor of the Blackwood Gold Project, and a joint venture company incorporated – Blackwood Goldfield Joint Venture Pty Ltd, ACN 640 126 638.

Notice of General Meeting of Shareholders of Cauldron to approve Blackwood Gold Project acquisition and issue of shares to vendor was lodged with ASX on 3 July 2020. On 11 August 2020, a General Meeting of Shareholders of Cauldron approved the acquisition of the Blackwood Gold Project Acquisition and issue of securities to the vendor.

On 16 September 2020, 17,000,000 shares and 16,000,000 options were issued to the vendor (and nominees) of the Blackwood Gold Project in order for Cauldron to earn its initial 51% joint venture interest.

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

CAULDRON ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

As at the date of this report, a joint venture agreement has not been executed with the vendor of the Bullarto South Gold Project, due to the fact that the application in respect of Exploration Licence 6804 remains pending and there exists growing uncertainty of it being granted.

Competent Person Statement

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

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

Mr Oram has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Oram consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Forward looking statements

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

BUSINESS STRATEGIES AND PROSPECTS FOR THE FORTHCOMING YEAR

The Company is involved in the mineral exploration industry.

The Blackwood Goldfield Project will be Cauldron's primary focus with activity at Yanrey Project dependent upon a change of attitude from the Western Australian state Labor government which is presently opposed to uranium mining in the state of Western Australia.

In addition, Cauldron is seeking to acquire one or more additional high value advanced exploration projects capable of rapid improvement in value.

COVID-19

On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The Group is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operations during FY2021.

Management has actively managed the global situation and its impact on the Group's financial condition, operations, and workforce. Due to the termination of flights, closures of borders and various measures being imposed by governments in relation to the pandemic, the Group decided on 18 March 2020 that it is prudent to suspend its Western Australian and interstate exploration activities.

In early March 2020, the decision was made to relocate to a smaller office to house executive director Jess Oram with other directors, employees and consultants to work from home. This remains the position as at the date of this report.

Although the Group cannot fully estimate the length or gravity of the COVID-19 effect, from its initial assessment, the impact over the next 12 months does not appear to be significant, indicating the entity will be able to continue as a going concern.

CAULDRON ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

EVENTS SUBSEQUENT TO REPORTING DATE

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

General Meeting of Shareholders

On 11 August 2020, a General Meeting of Shareholders of Cauldron approved all resolutions, including the adoption of a Performance Rights Plan, the issue of 9,000,000 (cumulative) performance rights to directors, the adoption of an employee share option plan, the acquisition of the Blackwood Gold Project and issue of securities to the vendor of the Blackwood Gold Project.

Issue of Securities to Acquire 51% Joint Venture Interest in Blackwood Gold Project

On 16 September 2020, having received shareholder approval and satisfied the conditions precedent in relation to the acquisition of a 51% joint venture interest in the Blackwood Gold Project, the Company issued the securities to the vendor (and nominees) comprising 17,000,000 fully paid ordinary shares, 10,000,000 unlisted options having an exercise price of \$0.03 and an expiry date of 16 September 2022 and 6,000,000 unlisted options having an exercise price of \$0.05 and an expiry date of 16 September 2023.

Issue of Performance Rights to Directors

On 16 September 2020, having received shareholder approval, the Company issued 9,000,000 Performance Rights to directors under the Company's Performance Rights Plan. Each Performance Right converts into a fully paid ordinary shares in the event of achievement of performance conditions specified in the terms and conditions and subject to the Performance Rights Plan.

Impact of Coronavirus (COVID-19)

The impact of Coronavirus (COVID-19) pandemic is ongoing and while it has not had a material impact on the business up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

ENVIRONMENTAL ISSUES

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

DIVIDENDS PAID OR RECOMMENDED

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

CAULDRON ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

SHARES UNDER OPTION

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

Grant date	Expiry date	Exercise price	Number
23 December 2019	31 December 2021	(0.03)	6,833,398
24 March 2020	31 March 2022	(0.03)	16,666,666
16 September 2020	16 September 2022	(0.03)	10,000,000
16 September 2020	16 September 2023	(0.05)	6,000,000

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

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

CORPORATE GOVERNANCE

Throughout FY20, Cauldron's corporate governance arrangements were consistent with the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council (ASX Principles).

Cauldron's 2020 Corporate Governance Statement is available at <http://cauldronenergy.com.au/our-company/corporate-governance/>. The Corporate Governance Statement outlines details in relation to Cauldron's values, its Board, Board Committees, risk management framework and financial reporting, diversity and inclusion, key corporate governance policies and shareholder engagement. Cauldron's website also contains copies of Cauldron's Board and Committee Charters and key policies and documents referred to in the Corporate Governance Statement.

MEETINGS OF DIRECTORS

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

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

Director	Directors' meetings	
	Held while in office	Attended
Simon Youds	6	6
Jess Oram	6	6
Qiu Derong	6	6
Judy Li	6	6
Chenchong Zhou	6	6

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

INDEMNIFICATION AND INSURANCE OF OFFICERS

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

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

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

CAULDRON ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2020 has been received and is included on page 18 of the annual report.

AUDIT AND NON-AUDIT SERVICES

During the year the following fees were paid or payable for audit and non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2020 \$	2019 \$
<u>Audit services:</u>		
BDO Audit (WA) Pty Ltd	32,924	43,214
Abelovich, Polano & Asocados S.R.L	-	9,547
Total remuneration for audit services	32,924	52,761
<u>Non-audit services:</u>		
BDO Corporate Finance (WA) Pty Ltd performance rights review for the purpose of the Notice of Meeting	3,000	-
Total remuneration for non-audit services	3,000	-
Total remuneration for audit and non-audit services	35,924	52,761

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



Mr Simon Youds
Non-Executive Director
30 September 2020

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

As lead auditor of Cauldron Energy Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

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

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



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2020

CAULDRON ENERGY LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
Continuing Operations			
Revenue	3 (a)	1,419	11,231
Other Income	3 (b)	111,424	-
Administration expenses		(35,628)	(49,386)
Employee benefits expenses		(374,335)	(273,993)
Directors fees		(147,000)	(203,500)
Compliance and regulatory expenses		(84,187)	(123,010)
Consultancy expenses		(253,925)	(278,038)
Legal fees		(23,519)	(171,975)
Occupancy expenses		(13,908)	(66,028)
Travel expenses		(17,037)	(10,268)
Exploration expenditure		(93,386)	(176,924)
Net fair value gain/(loss) on financial assets	10	(449,691)	(1,432,647)
Depreciation and amortisation		(4,071)	(2,281)
Realised foreign exchange loss		-	(1,683)
Share based payments expense	26	(9,534)	-
Impairment losses	4	(241,238)	(419,296)
(Loss)/profit for the year before income tax		(1,634,616)	(3,197,797)
Income tax expense	7	-	-
(Loss)/profit for the year from continuing operations attributable to members of the Company		(1,634,616)	(3,197,797)
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		2,023	(30,888)
Total comprehensive (loss)/profit for the year attributable to members of the Company		(1,632,593)	(3,228,685)
(Loss)/profit per share			
Basic (loss)/profit per share (cents per share)	20(b)	(0.47)	(0.97)
Diluted (loss)/profit per share (cents per share)	20(b)	(0.47)	(0.97)

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

CAULDRON ENERGY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	396,311	526,681
Trade and other receivables	9	26,562	29,105
Financial assets at fair value through profit or loss	10	600,146	1,282,895
Total current assets		1,023,019	1,838,681
Non-current assets			
Exploration and evaluation	12	-	-
Plant and equipment	13	4,947	9,018
Total non-current assets		4,947	9,018
Total assets		1,027,966	1,847,699
LIABILITIES			
Current liabilities			
Trade and other payables	14	700,512	625,913
Employee entitlements	15	92,755	69,029
Total current liabilities		793,267	694,942
Total liabilities		793,267	694,942
Net assets		234,699	1,152,757
Equity			
Issued capital	16	56,380,921	55,675,919
Reserves	17	4,203,556	4,191,999
Accumulated losses	19	(60,349,778)	(58,715,161)
Total equity		234,699	1,152,757

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

CAULDRON ENERGY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

		2020	2019
	Notes	\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(791,771)	(878,786)
Interest received		1,419	11,231
Interest paid		-	(34)
Net cash flows used in operating activities	24 (a)	(790,352)	(867,589)
Cash flows from investing activities			
Purchase of plant and equipment	13	-	(7,908)
Payments for exploration and evaluation		(309,916)	(548,258)
Funding provided to Caudillo Resources SA		(19,583)	-
Proceeds from sales of equity investments		285,072	-
Net cash flows used in investing activities		(44,427)	(556,166)
Cash flows from financing activities			
Proceeds from issue of shares		705,002	-
Net cash flows from investing activities		705,002	-
Net decrease in cash and cash equivalents		(129,777)	(1,423,755)
Effects of exchange rate changes on cash		(593)	-
Cash and cash equivalents at beginning of year		526,681	1,950,436
Cash and cash equivalents at end of year	8	396,311	526,681

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

CAULDRON ENERGY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Issued Capital	Accumulated Losses	Share Based Payment Reserve	Foreign Currency Translation Reserve	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2019	55,675,919	(58,715,161)	5,808,480	(1,616,481)	1,152,757
Loss attributable to members of the parent entity	-	(1,634,616)	9,534	-	(1,625,082)
Other comprehensive loss	-	-	-	2,023	2,023
Total comprehensive loss for the year	-	(1,634,616)	9,534	2,023	(1,623,059)
Transactions with owners in their capacity as owners					
Shares issued during the period, net of costs	705,002	-	-	-	705,002
Balance at 30 June 2020	56,380,921	(60,349,778)	5,818,014	(1,614,458)	234,699
Balance at 1 July 2018	55,675,919	(55,517,364)	5,808,480	(1,585,593)	4,381,442
Profit attributable to members of the parent entity	-	(3,197,797)	-	-	(3,197,797)
Other comprehensive loss	-	-	-	(30,888)	(30,888)
Total comprehensive profit for the year	-	(3,197,797)	-	(30,888)	(3,197,797)
Transactions with owners in their capacity as owners					
Shares issued during the period, net of costs	-	-	-	-	-
Balance at 30 June 2019	55,675,919	(58,715,161)	5,808,480	(1,616,481)	1,152,757

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

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CAULDRON ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The financial report covers Cauldron Energy Limited ("Cauldron") and its controlled entities ("the Group") for the year ended 30 June 2020 and was authorised for issue in accordance with a resolution of the directors on 30 September 2020.

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

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

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

The financial report is presented in Australian dollars.

b. Compliance with IFRS

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

c. Adoption of New and Revised Accounting Standards

New or amended Accounting Standards and Interpretations adopted

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

The Group has had to change its accounting policy with respect to leases as a result of adopting AASB 16: Leases.

The impact of the adoption of AASB 16: Leases is disclosed at (o) below.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2020.

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

d. Principles of Consolidation

(i) Subsidiaries

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

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

(ii) Joint arrangements

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

CAULDRON ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Joint operations

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

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

e. Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transactions and balances

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

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

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

Group companies

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

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

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

f. Goods and Services Tax

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

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

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

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

CAULDRON ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

g. Income Tax

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

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

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

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

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

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

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

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

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

Tax consolidation

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

h. Cash and Cash Equivalents

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

i. Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets

CAULDRON ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

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

Financial assets at fair value through profit or loss

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

Financial assets at fair value through other comprehensive income

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

Impairment of financial assets

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

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

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

j. Property, Plant and Equipment

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

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

The depreciation rates used for each class of depreciable assets for the 30 June 2020 year are:

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

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

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k. Exploration and Evaluation Expenditure

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

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

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

l. Impairment of Non-Financial Assets

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

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

m. R&D Tax Incentive

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

n. Trade and Other Payables

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

o. Leases

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

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

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

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

The Group has adopted AASB 16: Leases retrospectively with the adoption having no material effect at 30 June 2020 on the basis that the net present value of remaining lease payments is minor and the resultant right-for-use-asset determined to be of low value.

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p. Revenue Recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

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

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

Interest

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

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. This includes Cash Boost income received due to COVID-19 during the year.

Other revenue

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

q. Provisions and Employee Benefits

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

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

Provision for restoration and rehabilitation

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

Employee leave benefits

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

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r. Contributed equity

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

s. Share based payments

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

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

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

Performance rights issued under the Performance Rights Plan are measured by reference to the fair value of the equity instruments at the date on which they were granted using a Black-Scholes option pricing model or binomial option pricing model, dependant on the associated performance conditions.

t. Critical accounting judgements, estimates and assumptions

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

Exploration and evaluation costs

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

Environmental Issues

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

Income taxes

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

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

Performance Rights

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

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

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

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

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

u. Comparative Figures

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

v. Operating Segments

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

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

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

w. Going Concern

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

As at 30 June 2020, the Group had cash and cash equivalents of \$396,311 and had net working capital of \$229,752. The Group incurred a loss for the year ended 30 June 2020 of \$1,634,616 (30 June 2019: \$3,197,797 loss) and net cash outflows used in operating activities and investing activities totalling \$834,779 (30 June 2019: \$1,423,755).

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

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

- the Company has the ability to raise funds through equity issues;
- the Company has significantly reduced its corporate costs in recent times and they are now at modest level for a public company;
- the Group holds a portfolio of investments valued at \$600,146 at 30 June 2020, which may be sold to fund ongoing cash requirements of the Company; and
- the Directors are of the opinion that the use of the going concern basis of accounting is appropriate as they are confident in the ability of the Group to be successful in securing additional funds through debt or equity issues as and when the need to raise working capital arises.

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

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2. SEGMENT INFORMATION

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

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

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

Inter-segment transactions

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

Segment assets

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

Segment liabilities

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

Other items

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

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

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Segment Information	Mineral Exploration		Other		Total	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Revenue						
Interest received	-	-	1,419	11,231	1,419	11,231
Other	-	-	59,410	-	59,410	-
Gain on disposal of financial assets	-	-	52,014	-	52,014	-
Total segment revenue and other income	-	-	112,843	11,231	112,843	11,231
Segment net operating profit/(loss) after tax						
Segment net operating profit/(loss) after tax includes the following significant items:						
Net fair value gain/(loss) on financial assets	-	-	(449,691)	(1,434,330)	(449,691)	(1,434,330)
Impairment of loans and receivables	-	(47,963)	(24,708)	-	(24,708)	(47,963)
Impairment of exploration assets	(216,530)	(371,333)	-	-	(216,530)	(371,333)
Depreciation	-	(2,281)	(4,071)	-	(4,071)	(2,281)
Employee benefits expense	-	-	(374,335)	(273,993)	(374,335)	(273,993)
Directors fees	-	-	(147,000)	(203,500)	(147,000)	(203,500)
Consultancy expenses	-	-	(253,925)	(278,038)	(253,925)	(278,038)
Legal fees	-	-	(23,519)	(171,975)	(23,519)	(171,975)
Tenement expenditure	(93,386)	(176,923)	-	-	(93,386)	(176,923)
Share based payments expense	-	-	(9,534)	-	(9,534)	-
Other expenses	-	-	(37,917)	(237,461)	(37,917)	(237,461)
Total segment net operating profit / (loss) after tax	(309,916)	(598,500)	(1,324,700)	(2,599,297)	(1,634,616)	(3,197,797)
Segment assets						
Segment assets include:						
Financial assets	-	-	600,146	1,282,895	600,146	1,282,895
Other assets	-	9,018	427,820	555,786	427,820	564,804
	-	9,018	1,027,966	1,838,681	1,027,966	1,847,699
Segment liabilities	-	-	793,267	694,942	793,267	694,942
Segment information by geographical region						
The analysis of the location of total assets is as follows:						
Australia					787,461	1,836,287
Argentina					5,806	11,412
					793,267	1,847,699

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	2020 \$	2019 \$
3. REVENUE AND OTHER INCOME		
(a) Revenue		
Interest received	1,419	11,231
Total revenue	1,419	11,231
(b) Other income		
Realised fair value gain on disposal of financial assets	52,014	-
Other	59,410	-
Total other income	111,424	-

4. IMPAIRMENT LOSSES

Impairment of exploration and evaluation expenditure	216,530	371,333
Expected credit loss of loans and other receivables	24,708	47,963
Total impairment losses	241,238	419,296

5. REMUNERATION OF AUDITORS

<i>Paid or payable to BDO (WA) Pty Ltd for:</i>		
Audit and review of financial statements	32,924	43,214
<i>Paid or payable to Abelovich, Polano & Asocados S.R.L for:</i>		
Audit of Argentina subsidiary	-	9,547
<i>Remuneration of BDO (WA) Pty Ltd for:</i>		
Non-audit services:		
Performance Rights valuation for purpose of 'Notice of General Meeting' by BDO Corporate Finance (WA) Pty Ltd	3,000	-
Total auditor's remuneration	35,924	52,761

6. KEY MANAGEMENT PERSONNEL

Names and positions held of key management personnel in office at any time during the 2019/2020 financial year were:

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

Refer to the Remuneration Report contained in the Directors' Report for details of the shares, rights and options held and remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2020.

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	2020 \$	2019 \$
7. INCOME TAX		
(a) The components of tax expense comprise:		
Current tax (expense)/benefit	-	-
Deferred tax (expense)/benefit	-	-
Total	-	-
(b) The prima facie tax (benefit)/expense on (loss)/profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Accounting (loss)/profit before tax	(1,634,616)	(3,197,797)
Total accounting (loss)/profit before tax	(1,634,616)	(3,197,797)
Prima facie income tax (expense)/benefit @ 30.0%	(490,385)	(959,339)
Tax effect of:		
Non-deductible expenses	92,681	105,681
Deductible capitalised exploration costs	(64,959)	(111,400)
Realised capital (gain)/loss on investments	(15,604)	-
Unrealised capital (gain)/loss on investments	134,907	429,794
Non-assessable non-exempt foreign related expenditure	24,156	49,729
Section 40-880 deduction	(1,800)	(23,220)
Other non-assessable income	(17,793)	-
Losses and other deferred tax balances not recognised during the period	338,796	508,755
Aggregate income tax expense	-	-
(c) Recognised deferred tax balances		
Deferred tax balances have been recognised in respect of the following:		
Deferred tax assets		
Employee entitlements	27,736	20,709
Other receivables	26,096	12,802
Other payables	92,734	75,792
Capital raising costs	1,800	3,600
Tax losses	4,564,179	4,437,286
Deferred tax assets not recognised	(4,712,544)	(4,550,189)
Total deferred tax assets	-	-
Deferred tax liabilities		
Exploration	-	-
Total deferred tax liabilities	-	-
Net recognised deferred tax assets/(liabilities)	-	-

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	2020 \$	2019 \$
8. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	396,311	526,681
Cash and cash equivalents	396,311	526,681
<i>Reconciliation to cash flow statement</i>		
For the purposes of the cash flow statement, cash and cash equivalents comprise the following at 30 June:		
Cash at bank and in hand	396,311	526,681
Cash held in trust	-	-
Cash for reconciliation of cash flow statement	396,311	526,681

9. TRADE AND OTHER RECEIVABLES

CURRENT		
Trade receivables	108,549	105,271
Prepayments	5,000	6,553
Allowance for expected credit losses (2019: Provision for impairment of receivables) (a)	(86,987)	(82,719)
Total current trade and other receivables	26,562	29,105
a) Provision for non-recovery of trade receivables		
Balance at 1 July	(82,719)	(40,045)
Impairment of receivable	(4,268)	(42,674)
Recovery of previously impaired receivable	-	-
Balance at 30 June	(86,987)	(82,719)

Allowance for expected credit losses

The Group has recognised a loss of \$4,268, in profit or loss in respect of the expected credit losses for the year ended 30 June 2020 for its Trade and Other Receivables.

Credit risk

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

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

Trading terms	Gross amount	Past due and impaired	Within initial trade terms
2020			
Trade receivables	108,549	86,987	21,562
2019			
Trade receivables	105,271	82,719	22,552

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	2020 \$	2019 \$
10. FINANCIAL ASSETS		
Financial assets at fair value through profit or loss (listed investments)	594,886	1,277,635
Financial assets at fair value through profit or loss (unlisted investments)	5,260	5,260
Total financial assets	600,146	1,282,895
Movements:		
Opening balance	1,282,895	2,715,310
Acquisition of equity securities (non-cash)		231
Disposal of equity securities	(285,072)	-
Realised fair value gain/(loss) through profit or loss (Note 3(b))	52,014	-
Fair value gain/(loss) through profit or loss	(449,691)	(1,432,646)
Closing balance	600,146	1,282,895

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

11. LOANS RECEIVABLE

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

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

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

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

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

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	2020 \$	2019 \$
12. EXPLORATION AND EVALUATION EXPENDITURE		
Exploration and evaluation expenditure	9,805,298	9,588,768
Exploration and evaluation expenditure - provision for impairment	(9,805,298)	(9,588,768)
Net carrying amount exploration and evaluation	-	-
Reconciliation of carrying amounts		
Balance at 1 July	-	-
Exploration expenditure incurred	216,530	371,333
Impairment of exploration expenditure	(216,530)	(371,333)
R&D tax incentive	-	-
Balance at 30 June	-	-

13. PLANT AND EQUIPMENT

At cost	40,926	42,608
Accumulated depreciation	(35,979)	(33,590)
Net carrying amount exploration and evaluation	4,947	9,018
Reconciliation of carrying amounts		
Balance at 1 July	9,018	3,391
Additions	-	7,908
Depreciation expense	(4,071)	(2,281)
Foreign exchange movements	-	-
Balance at 30 June	4,947	9,018

14. TRADE AND OTHER PAYABLES

Trade payables	101,400	68,443
Other payables and accruals	599,112	557,470
Total trade and other payables	700,512	625,913

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

15. PROVISIONS

Current		
Employee benefits	92,755	69,029
Total provisions	92,755	69,029

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	2020 No. Shares	2019 No. Shares	2020 \$	2019 \$
16. ISSUED CAPITAL				
Share capital				
Ordinary shares fully paid	376,289,835	329,289,708	56,380,921	55,675,919
Opening balance at 1 July	329,289,708	329,289,708	55,675,919	55,675,919
Ordinary shares issued	47,000,127	-	705,002	-
Share issue costs	-	-	-	-
Closing balance at 30 June	376,289,835	329,289,708	56,380,921	55,675,919

Terms and Conditions

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

Capital risk management

Capital managed by the Board includes shareholder equity, which was \$56,380,921 at 30 June 2020 (2019: \$55,675,919). The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns to shareholders and benefits to other stakeholders. The Company's capital includes ordinary share capital and financial liabilities, supported by financial assets.

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

	2020 \$	2019 \$
17. RESERVES		
Reserves		
Share based payment reserve (a)	5,818,015	5,808,481
Foreign currency translation reserve (b)	(1,614,459)	(1,616,482)
Total reserves	4,203,556	4,191,999
(a) Share based payment reserve		
Reserve balance at beginning of year	5,808,481	5,808,481
Performance rights vested	9,534	-
Reserve balance at end of year	5,818,015	5,808,481
(b) Foreign currency translation reserve		
Reserve balance at beginning of year	(1,616,482)	(1,585,594)
Foreign currency exchange differences arising on translation of foreign operations	2,023	(30,888)
Reserve balance at end of year	(1,614,459)	(1,616,482)

CAULDRON ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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

18. OPTIONS OVER UNISSUED SHARES

Unissued ordinary shares of the Company under option at 30 June 2020 were:

Grant date	Expiry date	Exercise price	Number
23 December 2019	31 December 2021	(0.03)	6,833,398
24 March 2020	31 March 2022	(0.03)	16,666,666

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

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

	2020 \$	2019 \$
19. ACCUMULATED LOSSES		
Accumulated Losses	(60,349,778)	(58,715,162)
Accumulated losses at 1 July	(58,715,161)	(55,517,364)
Net (loss)/profit attributable to members	(1,634,616)	(3,197,797)
Balance at 30 June	(60,349,778)	(58,715,161)

20. EARNINGS/(LOSS) PER SHARE

(a) (Loss)/Profit used in calculating (loss)/earnings per share		
Net loss from continuing operations attributable to ordinary equity holders of the parent	(1,634,616)	(3,197,797)
Net loss attributable to ordinary equity holders of the parent for basic earnings	(1,634,616)	(3,197,797)
(b) Weighted average number of shares outstanding during the year used in the calculation of:	No.	No.
Basic earnings/(loss) per share	345,353,701	329,289,708
Diluted earnings/(loss) per share	345,353,701	329,289,708
	Cents per share	Cents per share
Basic earnings/(loss) per share		
Continuing operations	(0.47)	(0.97)
Diluted earnings/(loss) per share		
Continuing operations	(0.47)	(0.97)

CAULDRON ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

21. CONTROLLED ENTITIES

Details of Cauldron Energy Limited's subsidiaries are:

Name	Country of Incorporation	Date/Company of Incorporation	Shares	Ownership Interest		Investment Carrying Amount	
				2020 %	2019 %	2020 \$	2019 \$
Ronin Energy Ltd	Australia	24 April 2006	Ord	100	100	5	5
Cauldron Minerals Ltd	Australia	24 April 2006	Ord	100	100	1	1
Jakaranda Minerals Ltd	Australia	24 April 2006	Ord	100	100	1	1
Raven Minerals Ltd	Australia	24 April 2006	Ord	100	100	5	5
Cauldron Energy (Bermuda) Limited	Bermuda	2 February 2012	Ord	100	100	1	1
Cauldron Energy (SL) Limited	Sierra Leone	12 March 2012	Ord	100	100	1	1
Blackwood Goldfield Joint Venture Pty Ltd	Sierra Leone	3 April 2020	Ord	51	-	2	-
Total Investment						16	14

22. RELATED PARTY INFORMATION

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

Loans with Related Parties

There were no loans made to Cauldron Energy Limited by directors and entities related to them during the year ended 30 June 2020 and 30 June 2019.

The ultimate parent

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

Significant shareholders

Qiu Derong holds a significant interest of 12.64% in the issued capital of Cauldron Energy at 30 June 2020 (30 June 2019: 14.44%). Mr Qiu Derong is a director of Cauldron.

Compensation of Key Management Personnel of the Group

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel ("KMP") for the year ended 30 June 2020.

	2020 \$	2019 \$
<i>The key management personnel compensation comprised of:</i>		
Short term employment benefits	385,388	429,664
Long term employment benefits	3,706	4,343
Post-employment benefits	20,235	20,235
Share-based payments	9,534	-
Total key management personnel remuneration	418,962	454,242

CAULDRON ENERGY LIMITED
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23. COMMITMENTS

Office Rental Commitments

The Company entered into a lease on 9 March 2020 for office premises located at Unit 47, 1008 Wellington Street, West Perth, for a term of 2 year period, subject to each party having the right to terminate the lease at any time prior to the Expiry Date by the giving of 3 months' notice.

	2020	2019
	\$	\$
Within one year	30,000	132,056
Between one and five years	20,795	99,042
Longer than five years	-	-
Total commitments	50,795	231,098

Exploration Expenditure Commitments

The minimum exploration expenditure commitments inclusive of rents and rates outstanding at 30 June 2020 in relation to the Company's licenced tenements were \$555,340 as follows:

Within one year	555,340	1,179,852
Between one and five years	-	494,702
Longer than five years	-	-
Total commitments	555,340	1,674,554

24. CASH FLOW INFORMATION

(a) Reconciliation of cash flows from continuing operations with profit/(loss) from ordinary activities after income tax

(Loss)/profit from continuing operations	(1,634,616)	(3,197,797)
<i>Non-cash items:</i>		
Depreciation	4,071	2,281
Share-based payments	9,534	-
Net fair value loss/(gain) on financial assets	449,691	1,432,647
Fair value gain on disposal of shares (Note 3(b))	52,014	-
Impairment losses	241,238	419,296
<i>Change in operating assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	2,543	389,082
Increase in trade and other creditors	61,447	69,394
Increase/(decrease) in provisions	23,726	17,508
Net cash flows used in operating activities	(790,352)	(867,589)

(b) Reconciliation of cash and cash equivalents

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

Cash at bank and in hand	396,311	526,681
Cash for reconciliation of cash flow statement	396,311	526,681

CAULDRON ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

25. FINANCIAL RISK MANAGEMENT

Financial risk management

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

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

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

	2020	2019
	\$	\$
Financial assets		
Cash and cash equivalents (note 8)	396,311	526,681
Financial assets at fair value through profit or loss (listed investments) (note 10)	594,886	1,277,635
Financial assets at fair value through profit or loss (unlisted investments) (note 10)	5,260	5,260
Trade and other receivables (note 9)	26,562	29,105
Total Financial Assets	1,023,019	1,838,681
Financial liabilities		
Trade and other payables (note 14)	700,512	625,913
Total financial liabilities	700,512	625,913

Financial risk management policies

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

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

Financial risk exposures and management

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

(a) Foreign currency risk

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

(b) Interest rate risk

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

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

	2020	2019
	\$	\$
Change in loss:		
Increase in interest rate by 200 basis points	7,926	10,534
Decrease in interest rate by 200 basis points	(7,926)	(10,534)

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

(c) Equity Securities Price risk

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

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

The table below summarises the impact of increases/decreases of the index on the Group's post tax profit/(loss) for the year and on equity. The analysis is based on the assumption that the equity indexes had increased/decreased by 20% (2019 – 20%) with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index.

	Impact on Post-Tax Profit or (Loss)	
	2020	2019
	\$	\$
Index		
ASX listed	118,977	255,527

(d) Credit risk

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

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

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

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

	2020	2019
	\$	\$
Financial assets		
Cash and cash equivalents (note 8)	396,311	526,681
Trade and other receivables (note 9)	26,562	29,105
Total Financial Assets	422,873	555,786

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(e) Liquidity risk

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

Financial instrument composition and maturity analysis

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

Maturity analysis	Within 1 Year \$	1 to 5 Years \$	Over 5 Years \$	Total \$
Year ended 30 June 2020				
<i>Financial Assets</i>				
Cash and cash equivalents (note 8)	396,311	-	-	396,311
Financial assets at fair value through profit or loss (note 10)	600,146	-	-	600,146
Receivables and loans (note 9 and 11)	26,562	-	-	26,562
Total financial assets	1,023,019	-	-	1,023,019
<i>Financial liabilities</i>				
Trade and other payables (note 14)	700,512	-	-	700,512
Total financial liabilities	700,512	-	-	700,512
Net maturity	322,507	-	-	322,507
Year ended 30 June 2019				
<i>Financial Assets</i>				
Cash and cash equivalents (note 8)	526,681	-	-	526,681
Financial assets at fair value through profit or loss (note 10)	1,282,895	-	-	1,282,895
Receivables and loans (note 9 and 11)	29,105	-	-	29,105
Total financial assets	1,838,681	-	-	1,838,681
<i>Financial liabilities</i>				
Trade and other payables (note 14)	625,913	-	-	625,913
Total financial liabilities	625,913	-	-	625,913
Net maturity	1,212,768	-	-	1,212,768

(f) Fair value estimation

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

Financial Instruments Measured at Fair Value

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

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

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inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Year ended 30 June 2020				
Financial Assets:				
Financial assets at fair value through profit or loss (note 10)	594,886	5,260	-	600,146
Year ended 30 June 2019				
Financial Assets:				
Financial assets at fair value through profit or loss (note 10)	1,277,635	5,260	-	1,282,895

26. SHARE BASED PAYMENTS

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

Options

No options have been granted as part of remuneration arrangements during the year ended 30 June 2020 (2019: Nil).

Performance Rights

During the financial year the Company granted performance rights as a long-term incentive to directors which have been issued under the Performance Rights Plan. Each performance right will vest as an entitlement to one fully paid ordinary share upon achievement of certain performance milestones. If the performance milestones are not met, the performance rights will lapse and the eligible participants will have no entitlement to convert the performance rights into any ordinary shares.

Performance rights are not listed and carry no dividend or voting rights. Upon exercise, each performance right is convertible into one fully paid ordinary share to rank pari passu in all respects with existing fully paid ordinary shares.

Movement in the performance rights for the current period is shown below:

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

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

Grant Date	Measurement Date	Expiry Date	Issue Date	Granted during the year	Balance at period end
11-Aug-20 ¹	21-May-20 ¹	10-Aug-25	16-Sep-20	9,000,000	9,000,000

¹Performance rights granted to Directors were approved by shareholders on 11 August 2020, however the contractual arrangement between the Company and the Board occurred on 21 May 2020 where the terms of the performance rights were agreed.

No. Granted	Exercise Price	Expected Vesting Period	Share price on Grant Date	Fair Value per Performance Right	Total Fair Value
9,000,000	-	21-May-20 to 20-May-23	\$0.029	\$0.029	\$261,000

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Milestones associated with the performance rights are as follows:

- d. *Milestone 1:* The volume weighted average price of the Shares as quoted on ASX exceeds \$0.05 each day for a period of not less than 20 consecutive trading days on which the Shares have actually traded; or
- e. *Milestone 2:* Gross Proceeds exceed \$250,000 in any financial year; or
- f. *Milestone 3:* The discovery of an "Inferred Mineral resource" (as that term is defined in the JORC Code) at the Blackwood Gold Project having a contained gold mass of at least 300,000 ounces at a cut-off grade of 2g/t.

(each a Performance Milestone).

Upon achieving any of the above three milestones, the performance rights will be eligible to be converted into shares upon exercise by the holder.

As at 30 June 2020, management believe that the remaining performance and service hurdles will be met and accordingly have recognised a share-based payment expense over the respective vesting periods.

Total expense arising from the above performance rights is \$9,534.

27. CONTINGENT ASSETS AND LIABILITIES

The Group has no contingent liabilities or assets at 30 June 2020 (30 June 2019: nil).

28. EVENTS SUBSEQUENT TO REPORTING DATE

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

General Meeting of Shareholders

On 11 August 2020, a General Meeting of Shareholders of Cauldron approved all resolutions, including the adoption of a Performance Rights Plan, the issue of 9,000,000 (cumulative) performance rights to directors, the adoption of an employee share option plan, the acquisition of the Blackwood Gold Project and issue of securities to the vendor of the Blackwood Gold Project.

Issue of Securities to Acquire 51% Joint Venture Interest in Blackwood Gold Project

On 16 September 2020, having received shareholder approval and satisfied the conditions precedent in relation to the acquisition of a 51% joint venture interest in the Blackwood Gold Project, the Company issued the securities to the vendor (and nominees) comprising 17,000,000 fully paid ordinary shares, 10,000,000 unlisted options having an exercise price of \$0.03 and an expiry date of 16 September 2022 and 6,000,000 unlisted options having an exercise price of \$0.05 and an expiry date of 16 September 2023.

Issue of Performance Rights to Directors

On 16 September 2020, having received shareholder approval, the Company issued 9,000,000 Performance Rights to directors under the Company's Performance Rights Plan. Each Performance Right converts into a fully paid ordinary shares in the event of achievement of performance conditions specified in the terms and conditions and subject to the Performance Rights Plan.

Impact of Coronavirus (COVID-19)

The impact of Coronavirus (COVID-19) pandemic is ongoing and while it has not had a material impact on the business up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

CAULDRON ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	2020	2019
	\$	\$
29. PARENT ENTITY DISCLOSURES		
Financial Position		
Assets		
Current assets	416,925	544,175
Non-current assets	605,093	1,291,913
Total assets	1,022,018	1,836,088
Liabilities		
Current liabilities	788,989	692,634
Total liabilities	788,989	692,634
Equity		
Issued capital	56,380,921	55,675,919
Accumulated loss	(61,956,372)	(60,340,945)
Option premium reserve	5,808,480	5,808,480
Total equity	233,029	1,143,454
Financial Performance		
(Loss)/profit of parent entity	(1,634,616)	(3,197,797)
Total comprehensive (loss)/profit of the parent entity	(1,634,616)	(3,228,685)

Loans to Controlled Entities

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

	2020	2019
	\$	\$
Subsidiaries		
Ronin Energy Ltd	23,329	23,329
Cauldron Minerals Ltd	8,900,347	8,880,764
Jakaranda Minerals Ltd	1,411,055	1,410,255
Raven Minerals Ltd	25,775	25,775
Total value of loans provided to subsidiaries	10,360,506	10,340,123

Commitments

The commitments of the Parent Entity are consistent with the Group (refer to note 23).

Contingent Liabilities and Assets

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

CAULDRON ENERGY LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2020

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

1. In the opinion of the directors:

- (a) the financial statements and notes set out on pages 16 to 45 and the Directors' Report are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

3. The Directors have been given the declarations by the chief executive officer and chief financial officer for the year ended 30 June 2020 required by section 295A of the *Corporations Act 2001*.

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



Mr Simon Youds
Chairman
30 September 2020

INDEPENDENT AUDITOR'S REPORT

To the members of Cauldron Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cauldron Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

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

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

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

Material uncertainty related to going concern

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

Key audit matters

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

Accounting for share-based payments

Key audit matter	How the matter was addressed in our audit
<p>During the financial year ended 30 June 2020, the Group agreed to issue performance rights to key management personnel, which have been accounted for as share-based payments as disclosed in Note 26 of the financial report.</p> <p>Refer to Note 1(s) and Note 1(t) of the financial report for a description of the accounting policy and significant estimates and judgements applied to these arrangements.</p> <p>Share-based payments are a complex accounting area and due to the complex and judgemental estimates used in determining the fair value of the share-based payments, we consider the accounting for share-based payments to be a key audit matter.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Reviewing the relevant agreements to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; • Holding discussions with management to understand the share-based payment transactions in place; • Reviewing management's determination of the fair value of the share-based payments granted, considering the appropriateness of the valuation methodology used; • Assessing the allocation of the share-based payment expense over the relevant vesting period; and • Assessing the adequacy of the related disclosures in Note 1(s), Note 1(t) and Note 26 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

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

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

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 3 to 6 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Cauldron Energy Limited, for the year ended 30 June 2020 complies with section 300A of the Corporations Act 2001.

Responsibilities

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

BDO Audit (WA) Pty Ltd

The image shows a handwritten signature in black ink. The signature appears to be 'J Prue' written in a cursive, flowing style.

Jarrad Prue

Director

Perth, 30 September 2020

CAULDRON ENERGY LIMITED

ASX ADDITIONAL INFORMATION

FOR THE YEAR ENDED 30 JUNE 2020

Additional information required by ASX Listing Rules and not shown elsewhere in the report is set out below. The information is current as of 31 August 2020.

1. CORPORATE GOVERNANCE

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

2. SHAREHOLDING AS AT 31 AUGUST 2020

Cumulative number of fully paid ordinary shares on issue **376,289,835**

3. SUBSTANTIAL HOLDERS AS AT 31 AUGUST 2020

The names of the substantial shareholders listed in the Company's register as at 31 August 2020 were:

Shareholder	Number of shares held
Dempsey Resources Pty Ltd	52,470,036
Mr Derong Qiu	47,544,710
Joseph Energy (Hong Kong) Limited	41,205,500
Starry World Investment Ltd	33,898,318
Sky Shiner Investment Ltd	31,400,000
Yidi Tao	31,250,000
Dekang Qiu	30,000,000

4. DISTRIBUTION OF EQUITY SECURITIES AS AT 31 AUGUST 2020

The distribution of members and their holdings of securities in the Company as at 31 August 2020 were as follows:

Range	Number of shareholders	Fully Paid Ordinary Shares
1 - 1,000	187	83,917
1,001 - 5,000	413	1,077,309
5,001 - 10,000	241	1,926,134
10,001 - 100,000	381	13,553,938
100,001 and over	125	359,648,447
TOTAL	1,347	376,289,835

5. UN-MARKETABLE PARCELS AS AT 31 AUGUST 2020

As at 31 August 2020, there were 949 holders (each holding less than 17,241 fully paid ordinary shares) or less than a marketable parcel of ordinary shares. In cumulative, the number of shares held by holders of unmarketable parcels totalled 4,561,456.

6. UN-QUOTED SECURITIES AS AT 31 AUGUST 2020

Class	Exercise Price	Issue Date	Expiry Date	No. of Securities	No. of Holders	Name (where holder holds >20%)	Number held (%)
Unlisted Options	\$0.03	23-Dec-19	31-Dec-21	6,833,395	11	Doone McDougall	1,889,000 (28%)
						WJ Armsrong Superfund Pty Ltd	1,666,666 (24%)
Unlisted Options	\$0.03	24-Mar-20	31-Mar-22	16,666,666	7	Derong Qui	15,000,000 (90%)

CAULDRON ENERGY LIMITED
ASX ADDITIONAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2020

7. TWENTY LARGEST SHAREHOLDERS AS AT 31 AUGUST 2020

The names of the twenty largest holders of ordinary fully paid shares at 31 August 2020 are set out below:

Name	Number of ordinary shares held	% of issued shares
Dempsey Resources Pty Ltd	52,470,036	13.94%
Mr Derong Qiu	47,544,710	12.64%
Joseph Energy (Hong Kong) Limited	41,205,500	10.95%
Starry World Investment Ltd	33,898,318	9.01%
Sky Shiner Investment Ltd	31,400,000	8.35%
Yidi Tao	31,250,000	8.30%
Dekang Qiu	30,000,000	7.97%
Citicorp Nominees Pty Ltd	10,247,485	2.72%
M & K Korkidas Pty Ltd	4,415,000	1.17%
Capeline Nominees Pty Ltd	4,172,864	1.11%
Doone Lee McDougall	3,778,000	1.00%
BNP Paribas Nominees Pty Ltd	3,386,039	0.90%
Armstrong Constructions (Vic) Pty Ltd	3,333,333	0.89%
Okewood Pty Ltd	3,300,000	0.88%
Lanoti Pty Ltd	3,203,775	0.85%
Sams Watchmaker Jeweller Pty Ltd	3,100,000	0.82%
Mr Yuanrong Luo	2,726,257	0.73%
JP Morgan Nominees Australia	2,590,215	0.69%
Blackwood Gold Mines Pty Ltd	2,333,533	0.62%
Canifare Pty Ltd	2,017,450	0.54%
	316,372,515	84.08%

8. VOTING RIGHTS

Ordinary Shares:

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

Options:

Holders of options do not have a right to vote.

9. RESTRICTED SECURITIES

The Company has no restricted securities on issue.

CAULDRON ENERGY LIMITED
ASX ADDITIONAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2020

10. INTERESTS IN TENEMENTS

Tenement Reference	Project & Location	Interest
E08/1489	YANREY – WESTERN AUSTRALIA	100%
E08/1490	YANREY – WESTERN AUSTRALIA	100%
E08/1493	YANREY – WESTERN AUSTRALIA	100%
E08/1501	YANREY – WESTERN AUSTRALIA	100%
E08/2017	YANREY – WESTERN AUSTRALIA	100%
E08/2081	YANREY – WESTERN AUSTRALIA	100%
E08/2205	YANREY – WESTERN AUSTRALIA	100%
E08/2385	YANREY – WESTERN AUSTRALIA	100%
E08/2386	YANREY – WESTERN AUSTRALIA	100%
E08/2387	YANREY – WESTERN AUSTRALIA	100%
E08/2774	YANREY – WESTERN AUSTRALIA	100%
E08/3088	YANREY – WESTERN AUSTRALIA	100%
393/2010	CATAMARCA, ARGENTINA	100%
140/2007	RIO COLORADO PROJECT – CATAMARCA, ARGENTINA	100%
141/2007	RIO COLORADO PROJECT – CATAMARCA, ARGENTINA	100%
142/2007	RIO COLORADO PROJECT – CATAMARCA, ARGENTINA	100%
143/2007	RIO COLORADO PROJECT – CATAMARCA, ARGENTINA	100%
144/2007-581/2009	RIO COLORADO PROJECT – CATAMARCA, ARGENTINA	100%
176/1997	RIO COLORADO PROJECT – CATAMARCA, ARGENTINA	100%
232/2007	RIO COLORADO PROJECT – CATAMARCA, ARGENTINA	100%
270/1995	RIO COLORADO PROJECT – CATAMARCA, ARGENTINA	100%
271/1995	RIO COLORADO PROJECT – CATAMARCA, ARGENTINA	100%
43/2007	RIO COLORADO PROJECT – CATAMARCA, ARGENTINA	100%