

CAULDRON PRIORITISES DRILL TARGETS AT BLACKWOOD

- **COVID downtime utilised to complete data compilation and drill planning**
- **Required environmental and hydro-geochemical study now completed**
- **Key stepping-stones being laid to allow in-mine access for sampling and to access previously worked mineralisation and provide a platform for drilling**
- **Well-funded with \$1.6m Placement recently completed**

Cauldron Energy Limited (ASX Code: CXU ("the Company")) is pleased to provide the following market update.

Project Goals

- identify and delineate an economic resource through drilling – short-term focus
- achieve gold production – medium- and longer-term focus

Project Development – Blackwood Gold

Cauldron has previously announced the high prospectivity associated with the area near Rogers Big Hill (CXU Announcement 23/09/2020) and highly prospective zone from North Sultan to Barrys Reef (ASX: 31/08/2020); across a strike length of 3.5 km.

During the COVID downtime, Cauldron and its consulting partners have completed an environmental vegetation study and base-level hydro-geochemistry sampling that are used in the application of various work approvals with the Victorian regulators (DELWP - Department of Environment, Land, Water and Planning, and ERR – Earth Resources Regulation).

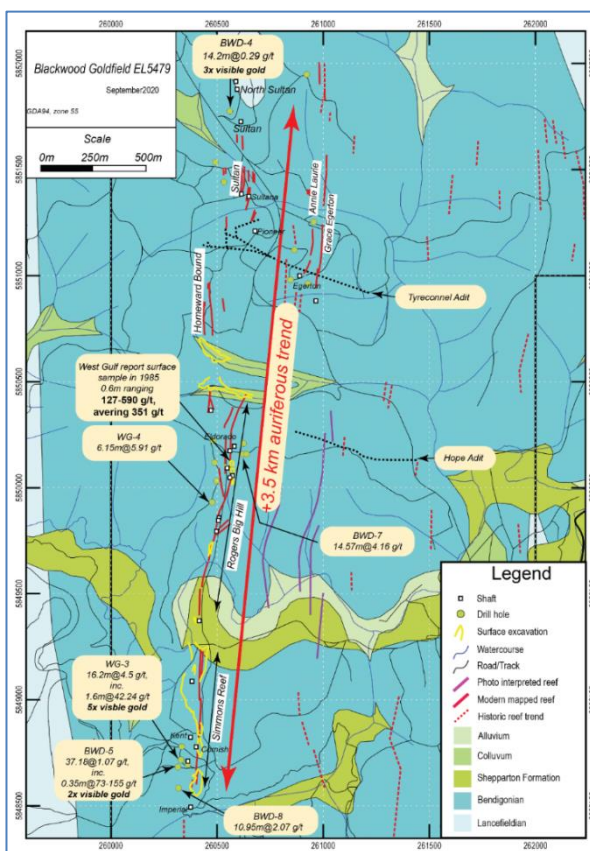


Figure 1; Local scale geology and prospect map, surface projection of quartz reefs with historic mining activity

ABN

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ASX Code

CXU

Securities on Issue

447,999,512 shares

6,833,395 Options (*exercise price: \$0.03; expiry 31 Dec 2021*)

16,666,666 Options (*exercise price: \$0.03; expiry 31 Mar 2022*)

10,000,000 Unlisted Options (*exercise: \$0.03; expiry 16-Sep-22*)

6,000,000 Unlisted Options (*exercise: \$0.05; expiry 16-Sep-23*)

43,354,839 Unlisted Options (*exercise: \$0.05; expiry 30-Nov-23*)

9,000,000 Performance Rights (*expiring 10 August 2025*)

Board of Directors

Simon Youds
Non-Executive Chairman

Jess Oram
Executive Director & Chief
Executive Officer

Qiu Derong
Non-executive Director

Judy Li
Non-executive Director

Chenchong Zhou
Non-executive Director

Michael Fry
Company Secretary

Key Steps Required to Achieve Project Goals

- refine structural model on shape of shoots beneath lodes opened-up by past mining activity using new mapping data
- finalise design of drilling program
- apply for low impact exploration allowing work under the exploration code of conduct published by ERR
- apply for work approval to be assessed by all Victorian regulators (ERR, DELWP and others) in consultation with local community
- engage drilling contractor and commence drilling

Timing of Further Work

- low ground disturbing drilling at Rogers Big Hill – first quarter 2021
- underground exploration drilling of the northern lodes – second quarter 2021
- develop drill targets at Yankee and Countess – last quarter 2020
- apply for work approvals at Yankee and Countess

Cauldron CEO, Jess Oram says: *“We have a strong technical and information scaffold, underpinned by an extensive dataset (refer CXU ASX announcement dated 8/1/2020) on which to build. We are well-funded following the recent \$1.6m placement and look forward to the opportunity to test the exciting gold prospectivity at Blackwood and attempt to achieve the project goal of defining and adding to the Mineral Resource (JORC 2012).”*

Authorised for release by Cauldron’s Executive Director Jess Oram.

END

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Competent Person Statement

The information in this report that relates to the Exploration Results for the Blackwood Gold Project is based on information compiled by Mr Jess Oram, a Competent Person who is a Member of the Australasian Institute of Geoscientists. Mr Oram is the Executive Director of Cauldron Energy.

Mr Oram has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves (JORC Code 2012). Mr Oram consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The Company confirms that is not aware of any new information or data that materially affects the **Exploration Targets, Exploration Results, and Mineral Resources** of the Blackwood Gold Project previously released in the original ASX announcements released on 8 January 2020, 31 August 2020 and 23 September 2020 and, in the case of estimates of Exploration Targets, that all material assumptions and technical parameters underpinning the estimates in the original ASX announcement of 8 January 2020 continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original ASX announcements.

Forward looking statements

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.