ASX Announcement
28 October 2020

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Commitments Received for $1.60 million Placement

Highlights

- **Well supported placement raising a total of $1.60 million**
- **Proceeds to be applied towards fast-tracking exploration at the Company's Blackwood Gold Project in Victoria, where ~220,000 ounces of gold have been mines historically, grading between 16-23 g/t Au[i]**
- **The Blackwood Gold Project contains a gold rich trend extending over a strike length of some 3.5 km[ii]**

Cauldron Energy Limited (ASX Code: CXU ("**the Company**") is pleased to announce the successful undertaking of a placement of 51,612,903 new fully paid ordinary shares (Shares) to new sophisticated and professional investors (**Placement**).

The Shares under the Placement will be issued at a price of $0.031 (3.1 cents) per Share, with SixtyTwo Capital acting as Lead Manager to the Placement.

In addition, participants in the Placement will be issued free attaching unlisted options exercisable on or before 30 November 2023, at an exercise price of $0.05 (5 cents) (Options). The Options will be issued on the basis of 1 Option for every 2 new Shares subscribed for under the Placement.

The price for the Placement represents a discount of:

- a 3% to the last closing price of $0.032 (3.2 cents) on 21 October 2020;
- a 15% to the 5- day VWAP of $0.0368 (3.68 cents); and
- a 25% to the 15-day VWAP of $0.0411 (4.11 cents).

The Company will use the funds primarily to fast-track exploration at the Company's Blackwood Gold Project in Victoria. Funds will also be applied to maintenance of the Company's Yanrey Uranium Project (existing mineral resource in situ – 38.9 Mt @ 360 ppm eU308 for 30.9 Mlb uranium oxide[iii]) and for general working capital purposes.

Commenting on the success of the Placement, Cauldron CEO, Jess Oram stated:

Cauldron is delighted with the strong response to the Placement and strong support for the Company's strategic direction which will focus around the Blackwood Gold Project in Victoria. The gold project is in Victoria's 'golden triangle', a province that has clusters of high-grade gold mines; including Fosterville, Bendigo and Ballarat amongst many others. Victoria has produced an incredible 70 million ounces of gold to date, comprising 30% of all gold mined in Australia, and the Blackwood Gold Project is nestled in a highly prospective region with historic high grade production. Our compilation of the historic data has shown the down-plunge extension of mineralisation remains open over a significant strike length of 3.5 km.

The funds will be used to implement and fast-track well planned and systematic exploration of the Project which is home to 15 historical production shafts and in excess of 250 underground workings, but which has seen very little in the way of modern exploration in the past 40 years. The work will commence once all approvals from the Victorian mines department is finalised and discussions with the community is completed.

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ASX Code
CXU

Securities on Issue
393,289,835 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*)
10,000,0000 Unlisted Options (*exercise: $0.03; expiry 16-Sep-22*)
6,000,0000 Unlisted Options (*exercise: $0.05; expiry 16-Sep-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

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Details of the Placement

Pursuant to the terms of the Placement, Cauldron will issue 51,612,903 Shares at an issue price of $0.031 (3.1 cents) to raise $1.6 million before costs. The Shares will be placed to sophisticated and professional investors, none of whom will be related parties, without shareholder approval within the Company's LR7.1 and LR 7.1A capacity (as detailed below). . Completion of the Placement is expected to occur on 4 November 2020, with trading of the new Shares expected to occur the following day.

In addition, the participants in the Placement will be issued with a total of 25,806,452 Options.

The Lead Manager is entitled to a placement fee of 6%, which is to be settled in Shares and an incentive fee of 1 million Options for each $100,000 raised. In total, the Lead Manager and its nominees will receive 3,096,774 Shares and 17,548,387 Options in satisfaction of its placement fees and incentive fees upon the completion of the initial $1.6 million raising under the Placement.

The Shares and Options will be issued pursuant to the Company's existing LR7.1 and 7.1A capacity as follows:

Shares On issue	393,289,835
LR 7.1 15% Capacity	58,993,475
LR7.1 A 10% Capacity	39,328,983
Combined Capacity (25%)	**98,322,458**
To be Issued	**Number**
Total FPO Shares to be issued	51,612,903
Toal Options to be Issued - Placement	25,806,452
Lead Manager - Shares	3,096,774
Lean Manager - Options	17,548,387
	98,064,516
Under Listing Rule 7.1	58,735,533
Under Listing Rule 7.1A	39,328,983
	98,064,516

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

END

For further information please contact:

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Competent Person Statement

- The information in this announcement 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 this announcement of the matters based on this information in the form and context in which it appears.

Mineral Resource Estimates

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

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

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

[ii] ***Source:*** ASX announcement dated 23 September 2020 titled "Cauldron Hones In On High Quality Exploration Targets.

[iii] ***Source:*** ASX announcement dated 17 December 2015 titled "Substantial Increase in Tonnes and Grade Confirms Bennet Well as Globally Significant ISR Project"