



River Sands Projects | Gascoyne River, Ashburton River and Fitzroy River

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Cauldron Energy Limited (ABN 22 102 912 783)
AND CONTROLLED ENTITIES



Choosing green energy initiatives to power our operations.

Caldron Energy Limited (ASX: CXU) is an exploration and development company with focus on a green future. We offer investors the growth potential of blue-sky exploration and desire to be self-funded. Our portfolio of high-quality advanced projects are capable of producing income for a low capital cost, thus reducing the effect of dilution on shareholders.

cauldronenergy.com.au



Au



92

U
URANIUM

14 + 8

SiO₂
SAND

79

Au
GOLD



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Dear Shareholder,

On behalf of the Board of Directors of Cauldron, I am pleased to provide our Annual Report for FY2021.

The 2021 financial year has been a challenging year on many fronts, most significantly the COVID-19 pandemic which has frustrated travel and necessitated us to re-think and re-imagine how we work and interact.

Despite the challenges, we have closed the year in what we consider to be a strong position with our Blackwood Gold Project in the midst of its first drill program in a generation and our sand project is poised to take advantage of the increasing demand for, and scarcity of, construction and reclamation sand.

I personally have spent a considerable amount of time in Victoria in recent months at the Blackwood Gold Project and we are excited about what lies ahead. The Blackwood goldfield has been largely untouched for over fifty years, and with over 250 underground workings, mostly less than 100 metres from surface, there is great optimism that the drilling which aims to target projections of high-grade plunge extensions of historical workings below the 100 metre level, will lead to multiple new high-grade discoveries.

Our innovative low footprint and low carbon approach is purpose-fit to the geology of Blackwood and its extensive historical infrastructure. This approach is a key plank of our circular economy strategy for Blackwood where we aim to eliminate waste and pollution, circulate products and materials, and to regenerate nature.

Our Yanrey uranium project is potentially our most valuable with uranium prices recently reaching a 9-year high. The Project's mineralisation is amenable to in-situ recovery and as such has the potential for low-cost production. We are well placed to take advantage of the surging appetite for uranium world-wide if there was to be a change of sentiment by the Labor government which has placed a ban on uranium mining in the state of Western Australia. A change in sentiment by the Western Australian Labor government would allow Yanrey, and potentially Western Australia, to establish itself as a dominant provider of clean, green energy as coal is diverted to other uses than thermal power.

Nuclear power is expected to play a major part in the planet's carbon free plans with nuclear power providing a base load of reliable electricity that is cheap, carbon-free and clean. The recent commercialisation of small modular reactors (SMR) has opened up the potential for Australia to reduce its power costs and carbon footprint especially in remote centres such as those in Western Australia.

And with uranium safely and responsibly being mined in other parts of Australia, and with significant improvement in techniques and practices over the past 50 years, there seems to be no logical justification for a continuation of the ban. As such, we expect that the Labor government will come under increasing pressure to overturn its ban and to enable the state of Western Australia to take advantage of the uranium boom presently underway.

In summary, we consider we have a portfolio of projects in gold, sand and uranium that offers unique project diversification in commodities that are in high demand and that boast the potential for both early cashflow and long-term growth in value with a team that has the skills, experience and dedication to deliver results.

Your Board's priorities for FY2021 are the health and safety of our employee and contractors, prudent financial management, execution of our exploration strategy and regular communication with our investors, and we look forward to updating you on our progress as the FY2022 year unfolds.

For and on behalf of the Board of Cauldron Energy Limited.

Simon Youds
Executive Chairman

Cauldron has a portfolio of projects in gold, sand and uranium that offers unique project diversification in commodities that are in high demand and that boast the potential for both early cashflow and long-term growth in value.

URANIUM

With uranium being at the forefront of the push for low-carbon energy production for what is becoming an increasingly energy hungry world, Cauldron's Yanrey Uranium Project is well positioned to take advantage of the growing demand and improving price of uranium, should the Labor government bow to increasing pressure and overturn its ban on uranium mining in the state of Western Australia.

At the time of writing, the price of uranium is near US\$48 per pound and moving closer to a nine-year high of US\$50.8/lb hit in September 2021, as the ongoing global energy crisis and the broader transition away from fossil fuels have forced leaders across the world to reconsider nuclear as a clean and bankable source of energy.

France, currently achieving 70% of its electricity generation from nuclear power, announced plans to build multiple new, small nuclear reactors that could be exported to its energy-starved neighbours. At the same time, Japan's new prime minister Fumio Kishida recently told Parliament that the country needs to restart its nuclear power plants, as renewable energy sources like wind and solar will not be enough to power Japan in the coming years. Further, in September, the International Atomic Energy Agency upgraded its projection for nuclear energy and now expects global nuclear-generating capacity to double by 2050.

There is now growing recognition that nuclear power makes a significant contribution to the mitigation of greenhouse gas emissions.

According to a report released by the Parliament of Australia titled "*Australia's uranium – greenhouse friendly fuel for an energy hungry world*":

- Nuclear power plants emit no greenhouse gas emissions at point of generation and very small quantities over the whole nuclear fuel cycle, from uranium mining through to waste disposal.
- Nuclear power represents the only current reliable and proven means of limiting increased emissions while meeting the world's voracious appetite for energy.
- While there is a role for renewables and certainly for greater use of efficiency measures, renewables are limited in their application by being intermittent, diffuse and pose significant energy storage problems. Renewables also require substantial backup generation, which needs to be provided by conventional baseload power sources. Promised baseload contributions from geothermal, are yet to be developed on any scale. For the generation of continuous, reliable supplies of electricity on a large scale, the only current alternative to fossil fuels is nuclear power.

The report also observed that electricity generation is the largest contributor of CO₂ emissions at 40 per cent of the global total and is also the fastest growing. The report concluding that it is imperative that emissions from this sector be reduced, particularly in fast-growing, developing nations such as China.

In a recent submission to the House of Representative Standing Committee on Environment and Energy, Nuclear for Climate submitted that climate change is the most significant threat to our planet today - that nuclear power has demonstrated, by precedent, that:

- it can be deployed quickly,
- operate economically
- massively reduce carbon emissions, and that
- for the benefit of the planet, nuclear must be included in the climate conversation as it is a proven and efficient mitigation technology that is available today.

In-Situ Recovery (ISR) Mining of Uranium Deposits

The In Situ Recovery (ISR) mining process has been proven globally, and domestically, to be the most cost effective and environmentally acceptable method of uranium extraction. This makes deposits, such as the 100% Cauldron-owned Bennet Well Uranium Deposit, highly valued in their amenability for this low-cost form of uranium mining. According to recent reports, ~57% of global uranium production is sourced from ISR mines.

The process of ISR mining involves leaving the ore *in situ* - i.e., where it is in the ground - and recovering the minerals from the host sediment formation by drilling wells into the deposit and using pre-defined wells to inject native groundwater fortified with a complexing agent and oxidant to dissolve the uranium inside the target horizon. The "pregnant" solution is then pumped out of a neighbouring drillhole to a processing plant at the surface. The uranium-rich solution is treated to recover the uranium oxide mineral, thereby ensuring minimal ground disturbance has occurred. Furthermore, there are no tailings or waste rock dumps generated.

In order for a deposit to be amenable to the ISR style of mining, it must be:

- sandstone-hosted, ideally in a palaeochannel or palaeovalley system,
- laterally extensive,
- sub-horizontal,
- tabular in shape,
- hosted within permeable sands,
- hosted in saturated conditions,
- capped by impermeable aquiclude (e.g., clay formation),
- shallow in depth (to mineralisation) from the ground surface, and
- contained by an impermeable formation beneath the orebody (e.g., hard granite basement).

In Australian ISR mines (Beverley, Four Mile, and Honeymoon) the oxidant used is hydrogen peroxide and the complexing agent sulfuric acid.

Techniques for ISR have evolved to the point where it is a controllable, safe, and environmentally benign method of mining that, by strict legislation, operates under specific, highly regulated and monitored operational controls. Due to the low capital costs involved (relative to conventional mining) it can often be a more effective method of mining low-grade uranium deposits.

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 (Figure 1), one of which secures the Bennet Well Uranium Deposit (Bennet Well). The project is prospective of sandstone-style uranium mineralisation capable of extraction by in-situ recovery mining techniques.

Bennet Well, and consequently the Yanrey Uranium Project, has been the subject of a significant amount of exploration over the last sixteen years by Cauldron Energy, refer below.

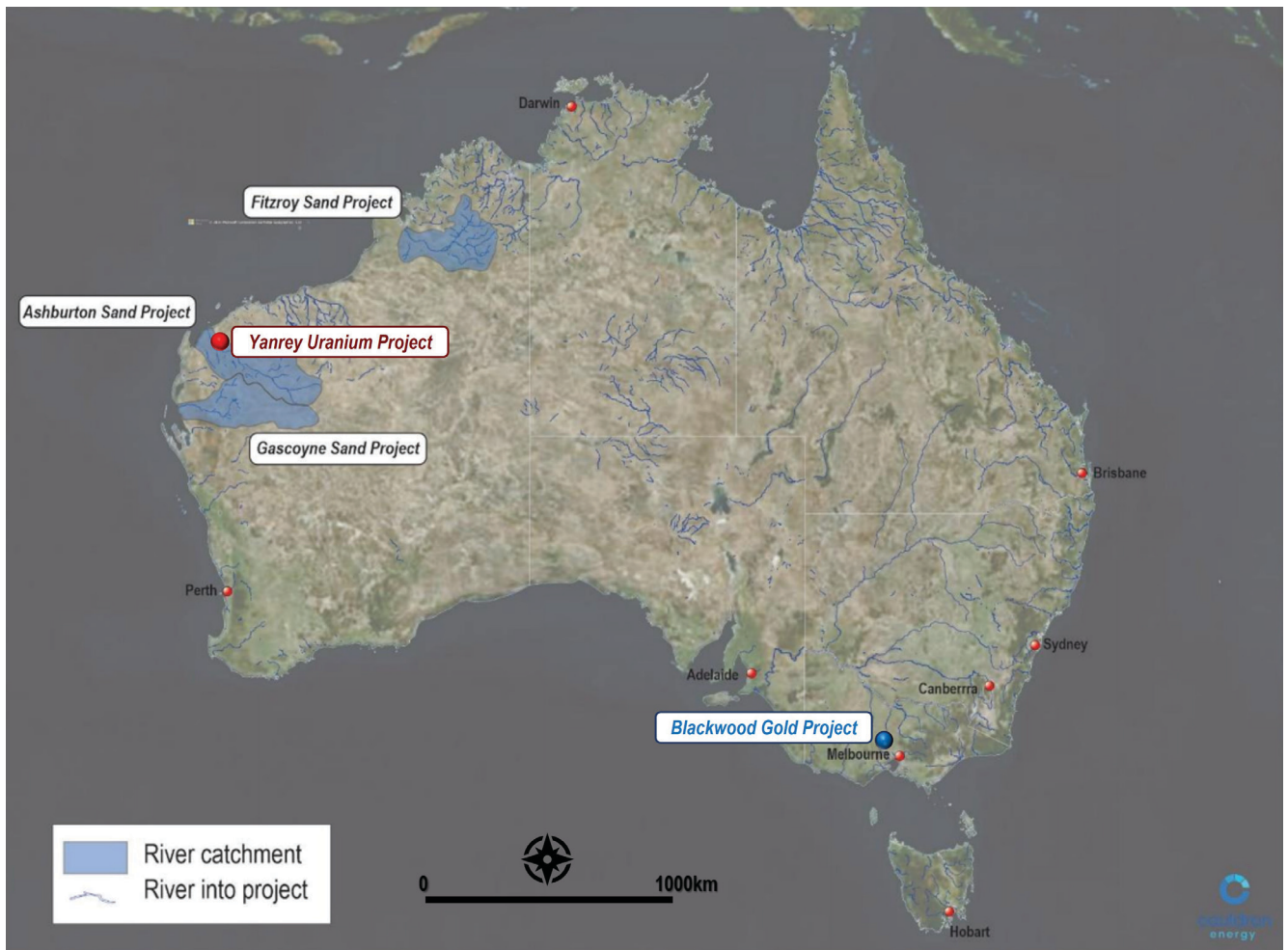


Figure 1: Map Location of Cauldron Projects

Since the announcement on 20 June 2017 of a ban of new uranium mines in Western Australia by Minister Bill Johnston, Cauldron has only been able to undertake limited fieldwork activities within the Yanrey Uranium Project. 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).

1 Refer to ASX Announcement dated 25 May 2017

OPERATIONS REPORT

Bennet Well

The Bennet Well Uranium Deposit is secured under exploration licence E08/1493. 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.

Concurrently, Cauldron completed Phase 1 of a developmental research study in 2017 with the CSIRO and Minerals Research Institute of Western Australia (MRIWA) to prove the ISR amenability of Bennet Well¹. Based on the highly promising results of the Phase 1 work, Phase 2 involved the completion of a Field Leach Trial (FLT) to quantify the ISR potential of the orebody. Due to the uncertainty surrounding the State government's ban on uranium mining, however, the FLT could not be completed. Despite regular attempts and correspondence to establish their standing, the Government has yet to clarify their policy on uranium exploration. Cauldron intends to submit a Program Of Works (POW) to DMIRS for a potential FLT, when the policy on uranium exploration is clarified and if the standard regulatory system applies.

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

Work Completed – Operational Period

During the reported term, activities completed have included the following:

- initiation of tenement-wide passive seismic program over the Flagstaff tenement, situated approx. 10km northwest of Bennet Well. The passive seismic allowed the Company to meet the minimum statutory expenditure commitment for Flagstaff before the end of its first year of tenure in March 2021. All equipment and personnel for the surveys were supplied by Resource Potentials Pty Ltd. Unprecedented rainfall during the autumn and winter months resulted in the temporary postponement of the fieldwork however, continuous communications between Cauldron and Resource Potentials have established that ground conditions are now sufficiently dry to allow recommencement of survey work. At the time of writing, the survey crew are remobilising to Flagstaff to complete the program and results are expected at the start of the next operational year (i.e., Q4 2021).
- appointment of Asha Rao as Exploration Manager for the Yanrey Uranium and Blackwood Gold Projects. Asha is a highly skilled geologist with a broad range of experience across multiple uranium and gold deposits in Canada, Africa and Australia.

OPERATIONS REPORT

GOLD

Like no other commodity, gold has held the fascination of human societies since the beginning of recorded time. Empires and kingdoms were built and destroyed over gold. As societies developed, gold was universally accepted as a satisfactory form of payment. In short, history has given gold a power surpassing that of any other commodity on the planet, and that power has never disappeared.

That fascination with gold has been at extreme levels in recent times, with the price of gold presently trading at around US\$1,770/oz, not far off the high of US\$2,070/oz that occurred in August 2020.

And the fascination with the Golden Triangle in Victoria has never been greater.

The “Golden Triangle” is a colloquial term for a highly productive central portion of the Victorian gold province, contains the Bendigo (>22.4 million ounces of gold production), Ballarat (>13.1 million ounces of gold production), Castlemaine (>4.2 million ounces of gold production) and Stawell goldfields (>2.6 million ounces of gold production).

The central portion of the Victorian gold province, one of the world’s most productive and until recently, largely forgotten gold producing areas, accounting for more than 2% of world gold production and 30% of Australian gold production since 1850.

The geology of Victoria is split into twelve distinct zones, each having a distinct stratigraphic, structural and lithological style. Of these zones, the Ballarat, Melbourne and Stawell zones are historically the most productive for gold (Figure 2):



Figure 2: Victorian geological zones with goldfield coloured by production (GeoVic3)

There have been numerous significant recent successes in the Golden Triangle, including but not limited to, the finding of significant additional gold resources at the Fosterville Gold Mine that has led to it becoming one of the world’s highest-grade and most profitable gold mines.

Cauldron is looking to have success at the historic Blackwood Gold Project located in the heart of the Golden Triangle.

BLACKWOOD GOLDFIELD PROJECT, VICTORIA

Cauldron holds a 51% joint venture interest in the Blackwood Gold Project located south-east of Daylesford, in the highly prospective Central Victorian Goldfields that surround Ballarat.

The Blackwood Gold Project, which comprises Exploration Licence 5479, covers an area of ~ 24 km² and secure the most significant portion of the highly prospective Blackwood Goldfield.

The Exploration Licence is granted and in good standing with a licence expiry date of 23 March 2024.

Under the joint venture agreement, Cauldron has stepped earn-in rights to increase its ownership from 51% to 65% and then up to 80% ownership, following the achievement of certain milestones, as follows:

- CXU to earn 65% of the joint venture following achievement of a Mineral Resource (JORC 2012) containing at least 300,000 ounces of gold;
- CXU has a further right to earn-in to 80% ownership of the joint venture following the mining production of gold at a rate of at least 10,000 ounces per annum.

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).² 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.

The Project is centred on the Sultan Mine which historically produced a little over 73,000 ounces of gold at an average grade of 28 g/t. In addition, the project contains in excess of 250 underground workings; with the largest known producers shown in Table 1, which follows.

Table 1: Gold production various reef sources in Blackwood Goldfield

Mine	Worked Depth [m]	Ore Mined [t]	Gold Produced [oz]	Grade [g/t Au]
North Sultan	243		620	
Sultan	231	82,000	73,310	28
Sultana	61		1,530	
Mounters	134	19,070	9,910	16
Homeward Bound	20		450	
Bog Hill	62		3,180	
Annie Laurie	76		270	
Grace Edgerton	62	1,090	2,850	80
British Lion			1,100	

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

Note: total reported production in this table is over 93,000 ounces for the larger producers; 218,000 ounces for field

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 to other factors such as inability to cope with high ground water flows in the underground workings or inability to raise the capital for development work.

Cauldron has undertaken a detailed technical review of all available historical records and based on this review has determined that the Blackwood has the potential to host multiple high-grade gold systems and that there exists within the Project field a near contiguous 3.5km long trend of high-quality gold exploration targets.

In mid-March 2021, Cauldron received approval from the ERR to undertake its drilling program, but was subsequently advised that it would require consent of Melbourne Water.

In late June 2021, Cauldron received consent from Melbourne Water being the last remaining consent/approval required to access the existing underground infrastructure at Blackwood for the purposes of exploration and drilling of high priority targets.

² **Source:** Report titled "The Gold Mines of Blackwood" prepared by Erik Norum, Consultant Geologist, August 2018

This drive also allows physical access to the key northern shaft areas of Pioneer and Mounters which were stopped by lack of pumping technology. Accessing these areas for sampling grows the geological understanding but may also open up the area for potential production without significant time or cost.

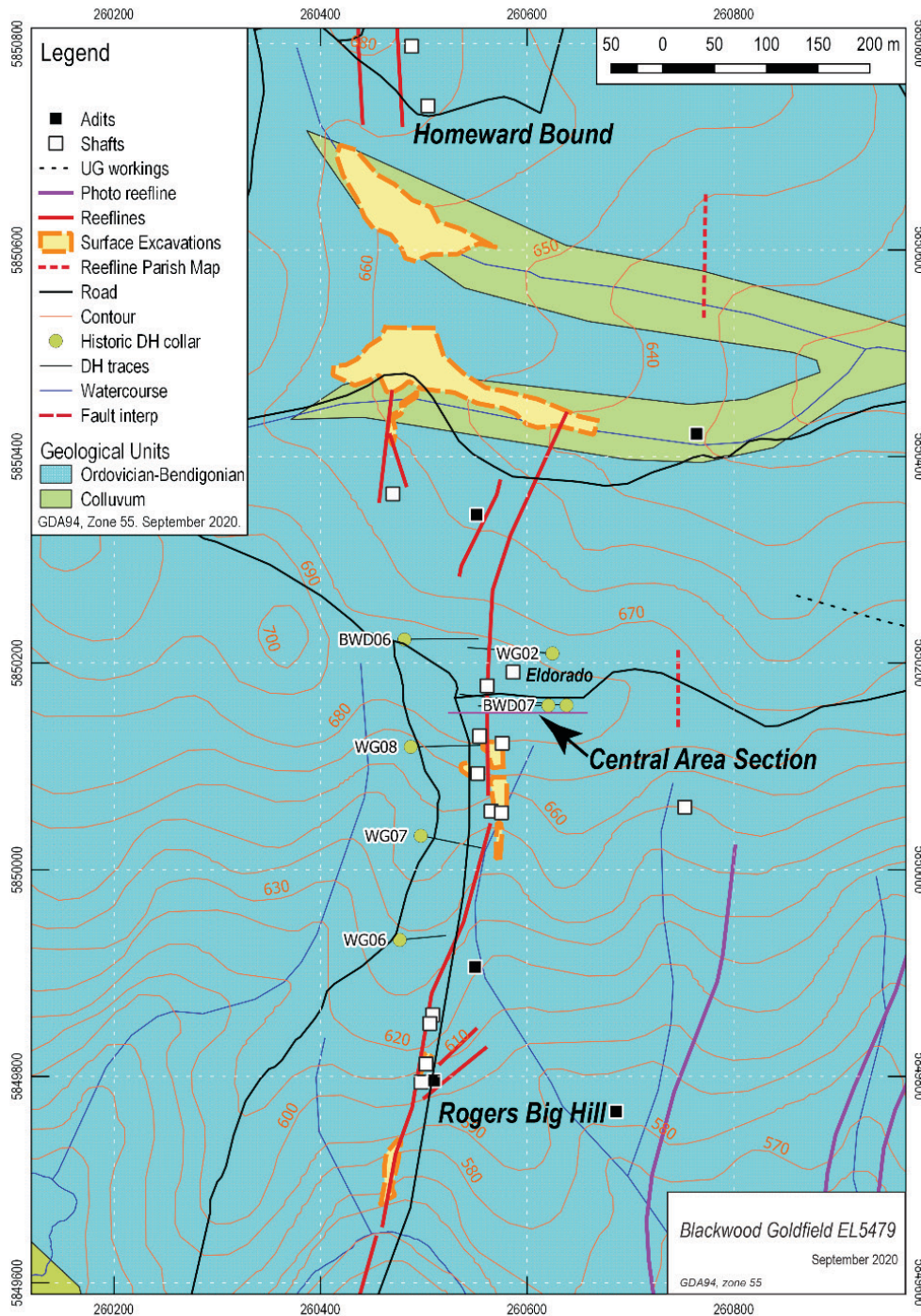


Figure 5: Parallel lode structures untested by drilling

OPERATIONS REPORT

Towards the end of the reported year, the Company announced the achievement of several key milestones:

- appointment of Gary Gray, Operations Manager for the Blackwood Gold Project. Gary has a long and extensive history in the mining industry, specialising in multiple underground mining styles throughout Australia.
- finalisation of the terms of engagement with its preferred drilling contractor, Core Prospecting Pty Limited of Heathcote Victoria.
- the completion of over 450m of compressed air and water lines, and
- completion of initial community engagement programs aimed at outlining Cauldron's work approach and objectives.

On 16 August 2021, the Company announced that drilling had commenced. The program is expected to continue intermittently with alternating ground control work to establish safe access into the old mine workings to access subsequent drill positions.

As at the date of this report, drilling is presently suspended whilst the Cauldron site team undertake ground support work. The combination of excessive rainfall and deteriorating, aging, ground support timbers resulted in an unexpected Fall of Ground (FoG) that did not endanger personnel but did temporarily block access for the drilling equipment. Clearance work was initiated immediately to remove the blockages and further enhance existing ground support by pressure grouting the roof of the historical underground adits and securing with nets and bolts. This ground support work is progressing well and remains on track to enable resumption of drilling activities initially focused on the high-grade area adjacent to the Annie Laurie Reef. The first phase of the drilling program is designed to include 36 holes for ~4,800 metres.

Concurrently, an application for a Prospecting Licence was submitted at the end of the reported year. According to standard ERR regulatory policy, these applications become public information immediately after submission by the parent company. The continual message to the local community has involved Cauldron's current innovative traditional mining plan that does not produce waste dumps and utilises a remote process plant to turn the waste rock into a soil remediation product. Additional innovation involves the treatment of mine wastewater using algae to provide re-establish a habitat for local fluvial species, including trout and yabbies. The latter is in partnership with local farmer groups. These innovative strategies inculcate a narrow-vein style, handheld rail mining operation to have no surface impact or expression, which is required for current Victorian government approvals, and no impact to the local community. Treating the wastewater from the mine to remove deleterious and toxic elements, such as arsenic, and recreating the local wetland habitats for flora and fauna that once thrived in this area, will have a net positive impact on the surrounding environment by offsetting the ravaging impacts of climate change as well as meeting the Company's ultimate net-zero carbon goals in line with company objectives and culture.

SAND

Sand is by far the largest globally mined commodity (Figure 6), outstripping the shipments of coal, iron ore and grain.

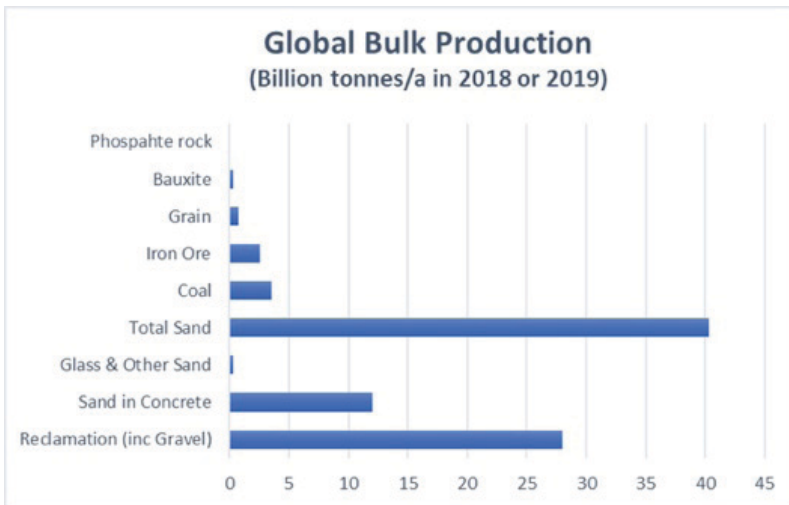


Figure 6: Estimated Global Annual Bulk Commodity Production in billion tonnes (2018/2019)[Source CXU]

The international sand and aggregate market in 2017 was worth an estimated US\$4.5 billion. By 2030, its worth is estimated to grow to US\$60 billion, representing a growth rate of 5.5 per cent per year.

WA SANDS PROJECT, MID-WEST REGION OF WESTERN AUSTRALIA

Cauldron has secured and is in the process of transferring a mining lease and several exploration licences located on three of the largest river systems crossing the coast in central to northern Western Australia. These licences cover the mouths of the Fitzroy River at Derby, the Ashburton River at Onslow and the Gascoyne River at Carnarvon.

The Fitzroy, Ashburton and Gascoyne rivers drain a huge area of granitic rocks commencing from its respective headwater all the way to the project area, being the mouth of the river (Figure 7). Every time there is a flooding event somewhere in the catchment area, sand is deposited into the project area, replenishing the supply of sand and re-establishing the river mouth in its original pristine condition. Some river mouths are being 'swamped' from flooding events, with excessive sand build-up preventing the use of high value infrastructure facilities, which adversely affect the economies of these regional areas.



Figure 7: Cauldron River Sands Project - Catchment Area draining into the project area at river mouth

OPERATIONS REPORT

Under the terms of the acquisition agreement for the WA Sands Project, Cauldron will acquire a 100% ownership interest in the leases listed in Table 1 below (**Tenements**), together with all of the technical information pertaining to the Tenements and the benefit of any third-party agreements.

Table 2: List of Tenements within the River Sand Project:

Tenement	Location	Legal and Beneficial Holder	Interest	Grant Date	Expiry Date
ELA09/1816	Carnarvon	Onslow Resources Ltd	100%	Under application	N/a
MLA09/150	Carnarvon	Onslow Resources Ltd	100%	Under application	N/a
ELA04/2548	Derby	Regent Point Pty Ltd	100%	Under application	N/a
E08/2328	Onslow	Quarry Park Pty Ltd	100%	3/12/2015	02-Dec-20
E08/2329	Onslow	Quarry Park Pty Ltd	100%	11/06/2013	10-Jun-23
E08/2642	Onslow	Anthony Warren Slater	100%	29/09/2015	28-Sep-20
M08/487	Onslow	Quarry Park Pty Ltd	100%	12/04/2013	11-Apr-34
L08/71	Onslow	Quarry Park Pty Ltd	100%	29/04/2013	28-Apr-34

Cauldron notes that Mining Lease Application 09/150, is listed as "dead" on the register maintained by the Department of Mines, Industry Regulation and Safety of Western Australia. Cauldron identified this fact as part of its due diligence conducted prior to entering into the acquisition agreement. The recording of MLA09/150 as "dead" follows a decision in the Western Australian Supreme Court in the case *Onslow Resources Ltd v The Minister for Mines and Petroleum* [2020] WASC 310, in which the Justice determined that the application for ML09/150 was invalid. The decision is the subject of appeal. To manage the risk of a negative decision, the Company has applied for a duplicate Mining Lease Application 09/180 to counter the risk of loss. This application has now passed its objection period.

In addition, Cauldron notes that Mining Lease 08/487 is the subject of an action under which a third party is seeking to prevent the transfer to Cauldron. As at the date of this report the matter has not yet been resolved, with the matter remaining on foot.

Limited work was possible during the financial year, with ownership of four of the Tenements only being transferred to Cauldron in June 2021.

Despite this, significant progress has been made on the establishment of a concrete supply business in Onslow and expected to utilise sand from the Tenements in the manufacture of the concrete.

In May 2021, Cauldron announced that an agreement reached with Kuuwa Rentals Pty Ltd to lease a T4 Sami Mobile Concrete Batching Plant, capable of producing a range of high strength quality concrete products. Contemporaneously, Cauldron signed an initial one-year property lease with Traditional Owner, BTAC, in Onslow's industrial zone to house the Mobile Concrete Batching Plant.



Figure 8: T4 Sami Mobile Concrete Batching Plant, Lot 697 Cornish Way, Onslow

Kuuwa is a hire company based in Onslow having majority ownership by the Buurabalayji Thalanyji Aboriginal Corporation (BTAC). Cauldron plans to further its commercial relationship with Kuuwa by hiring equipment required to operate the plant, following Shire approval. The region is expected to experience an uplift in investment activity from resource companies supporting the two significant off-shore gas projects owned by BHP and Chevron. Cauldron views these as potential markets for concrete sales once the plant has been re-commissioned.

The high summer and autumn temperatures limit effective transport distance of high-quality concrete. Many of the potential projects, currently in planning, require delivery of concrete outside the effective trucking distance from the town of Onslow. The CBP is mobile allowing the facility to be moved to any project site which is expected to commence construction.

RIO COLORADO PROJECT, CATAMARCA (ARGENTINA)

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

At 30 June 2021, with no interest having been received with respect to joint venture, farm-in or sale, it was decided to cease all activities on the Rio Colorado Project.

Competent Person Statements**Exploration Results**

The information in this report that relates to exploration results for the **Blackwood Gold Project** is extracted from reports compiled by Jess Oram who is employed by Cauldron, and a member of the Australasian Institute of Geoscientists and a Member of the Geological Society of Australia and by Mr Stewart Govett.

Each of Mr Oram and Mr Govett have provided Competent Person's consents and these remain in place for subsequent releases by the Company of the information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The information in this report that relates to exploration results for the **Western Australian Sands Project** is extracted from reports compiled by Jess Oram who is employed by Cauldron, and a member of the Australasian Institute of Geoscientists and a Member of the Geological Society of Australia. Mr Oram has provided a Competent Person's consent which remains in place for subsequent releases by the Company of the information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

Mineral Resources

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.

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 2021 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

Executive Director and Chairman

Appointed 15 March 2019 as Non-executive Director, promoted to Executive Chairman in May 2021

B.Eng (Mining), MBA, AUSIMM Member

Mr Simon Youds was appointed as a Non-Executive Director and Chairman effective 15 March 2019. During the current financial year, Mr Youds was promoted to the position of Executive Chairman of the Company. Mr Youds is currently a director of ASX-listed company Vector Resources Ltd (under administration). 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:	Vector Resources Ltd (<i>under administration</i>)
Interest in Shares:	4,172,864 Fully Paid Ordinary Shares
Interest in Options:	Nil
Interest in Performance Rights:	4,000,000

Mr Jess Oram

Non-Executive Director

Appointed Executive Director on 1 January 2018; moved to Non-executive Director from 16 July 2021

B.Sc, AIG member

From April 2014 until 1 January 2018, Mr Oram served the Company as Exploration Manager. On 1 January 2018 Mr Oram was promoted to Chief Executive Officer and Executive Director. Subsequent to year end, on 15 July 2021, Mr Oram has resigned as Chief Executive Officer of the Company in order to take up a position with ASX-listed company Paladin Energy Limited but remains with the Company as a non-executive director. 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 (<i>February 2019 to Feb 2021</i>)
Interest in Shares:	Nil
Interest in Options:	Nil
Interest in Performance Rights:	2,000,000

DIRECTORS' REPORT**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 11 April 2019. Michael holds a Bachelor of Commerce degree from the University of Western Australia and has worked in the capacity of chief financial officer and company secretary of ASX listed companies for over 20 years.

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 2021.

KEY MANAGEMENT PERSONNEL

Key Management Personnel includes:

- Simon Youds (Non-executive Chairman; appointed Executive Chairman in May 2021)
- Jess Oram (Chief Executive Officer and Executive Director – resigned 15 July 2021; remains with Company in capacity of Non-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 AGM

The 2020 remuneration report received positive shareholder support at the Annual General Meeting of the Company held on 29 January 2021 whereby of the proxies received 99.93% voted in favor of the adoption of the remuneration report.

DIRECTORS' REPORT REMUNERATION REPORT (AUDITED)**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 2021	(669,504)	(0.16)	3.9
30 June 2020	(1,634,616)	(0.47)	1.6
30 June 2019	(3,197,797)	(0.97)	1.7
30 June 2018	173,299	0.05	3.0
30 June 2017	(11,954,682)	(3.83)	3.4

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

Key Management Personnel (**KMP**) remuneration for the year ended 30 June 2021 was:

30 JUNE 2021	SHORT-TERM BENEFITS		LONG-TERM BENEFITS	POST EMPLOYMENT		SHARE BASED PAYMENTS (vi)	TOTAL	Remuneration performance based
	Salary, Fees & Leave (\$)	Other (\$)	Long Service Leave (\$)	Superannuation (\$)	Retirement Benefits (\$)	\$		
Directors								
Simon Youds (i)	135,673	-	-	-	-	38,667	174,340	22.18%
Jess Oram (ii)	213,000	-	3,809	20,235	-	19,333	256,377	7.54%
Qiu Derong (iii)	36,000	-	-	-	-	9,667	45,667	21.17%
Judy Li (iv)	36,000	-	-	-	-	9,667	45,667	21.17%
Chenchong Zhou (v)	36,000	-	-	-	-	9,667	45,667	21.17%
TOTAL	456,673	-	3,809	20,235	-	87,001	567,718	15.32%

- (i) In his capacity as Executive Chairman, Mr Simon Youds is entitled to a fixed fee of \$48,000 per annum from the date of his appointment (15 March 2019) for provision of his services as a director and a variable fee of \$100 per hour to a maximum of 160 hours per month for assistance on a day-to-day basis in supervising and managing work at the Company's projects. 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 was employed in the capacity of Chief Executive Officer and Executive Director of the Company for the entirety of the 2021 financial year and in this capacity was entitled to \$213,000 plus superannuation.

REMUNERATION REPORT (AUDITED) DIRECTORS' REPORT

- (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. Amounts included in this table represent accrued fees.
- (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
	9,000,000

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 (vi)	TOTAL	Remuneration performance based
Directors	Salary, Fees & Leave (\$)	Other (\$)	Long Service Leave (\$)	Superannuation (\$)	Retirement Benefits (\$)	\$	\$	%
Simon Youds	48,000	-	-	-	-	4,327	52,337	8.11%
Jess Oram	229,388	-	3,706	20,235	-	2,119	255,448	0.83%
Qiu Derong	36,000	-	-	-	-	1,059	37,059	2.86%
Judy Li	36,000	-	-	-	-	1,059	37,059	2.86%
Chenchong Zhou	36,000	-	-	-	-	1,059	37,059	2.86%
TOTAL	385,388	-	3,706	20,235	-	9,533	418,962	17.51%

DIRECTORS' REPORT EMUNERARION REPORT (AUDITED)**KMP INTEREST IN SECURITIES****Shareholdings of Key Management Personnel**

30 JUNE 2021	Balance 1 July 2020	Issued	Received on op- tion exercise	Net Change Other	Balance 30 June 2021
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 2021 (30 June 2020: nil), nor were there any options granted, exercised or lapsed during the year ended 30 June 2021 (2020: nil).

Performance Rights of Key Management Personnel

Performance Rights are granted to incentivise KMP for increases in the Company's value as determined by the underlying market price of its shares, exploration results, and Company performance. Refer to note 27 for details

As at the date of this report, performance rights on issue were as follows:

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	Period (years)	Share price on Grant Date	Recognition date	Probability	Valuation per right
11 August 2020	5	\$0.029	21 May 2020	100%	\$0.029

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

30 JUNE 2021	Balance 1 July 2020	Issued	Cancelled/ Converted	Balance 30 June 2021	% Vested	Maximum Value Yet to Vest \$
Directors						
Simon Youds	-	4,000,000	-	4,000,000	0%	73,096
Jess Oram	-	2,000,000	-	2,000,000	0%	36,548
Qiu Derong	-	1,000,000	-	1,000,000	0%	18,274
Judy Li	-	1,000,000	-	1,000,000	0%	18,274
Chenchong Zhou	-	1,000,000	-	1,000,000	0%	18,274
	-	9,000,000	-	9,000,000	0%	164,466

KMP OTHER**Loans to Key Management Personnel**

There were no loans to key management personnel during the year.

Other Transactions with Key Management Personnel

There were no other transactions with key management personnel that occurred during the year not described above.

End of Audited Remuneration Report.

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 \$669,504 (30 June 2020: \$1,634,616 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.

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.

November 2020 Placement

On 6 December 2020, Cauldron completed a private placement resulting in the issue of 51,612,903 shares at \$0.031 (3.1 cents) per share each (Shares), raising a total of \$1,600,000 before costs.

Participants in the Placement also received a free attaching option on a 1 for 2 basis exercisable at \$0.05 (5 cents) with an expiry of 30 November 2023 (Unlisted Options), resulting in the issue of 25,806,452 unlisted options.

The Lead Manager received a placement fee of 6%, settled in Shares, and an incentive fee of 1 million listed options on the same terms as participants in the placement for each \$100,000 raised resulting in the Lead Manager being issued 3,096,774 Shares and 17,548,387 Unlisted Options.

In total, 54,709,677 Shares and 43,354,839 Unlisted Options were issued.

DIRECTORS' REPORT**WA Sands Project**

In late December 2020, Cauldron announced the acquisition of a 100% ownership interest in a number of river sand tenements located at the mouths of the Carnarvon, Onslow and Derby rivers in Western Australia, collectively covering an area of about 286 km².

The acquisition is partially complete, with ownership of four of the eight licences transferred to Cauldron to date.

In June 2021, ownership of four of the sought-after river mouth sand licences (EL08/2328, EL08/2329 and EL08/2462 and miscellaneous licence L08/71) located at the mouth of the Ashburton River in Onslow were transferred to Cauldron.

An appeal by the project vendor in relation to its application for Mining Lease Application 09/150, located at the mouth of the Gascoyne River at Carnarvon, being determined invalid is ongoing.

Proceedings also remain ongoing against Cauldron, the project vendor, the Mining Registrar and the WA Minister for Mines, Industry Regulation and Safety with respect to Mining Lease 08/487, located at the mouth of the Ashburton River in Onslow, where a third party is opposing the transfer of Mining Lease 08/487 to Cauldron.

The project vendor and the Company have agreed that if the legal proceedings in relation to either MLA09/150 or ML08/487 are not concluded in favour of Cauldron or the project vendor, that they may consider an adjustment to the consideration or a replacement of the tenement(s).

PROJECT INFORMATION

Refer Operations section of Annual Report.

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 aims to progress its WA Sands Project and commence operation of a concrete-supply business.

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.

Resignation of Mr Jess Oram as Chief Executive Officer

On 15 July 2021, Mr Jess Oram resigned his full-time position of Chief Executive Officer of the Company but remains with the Company in the capacity of non-executive director.

September 2021 Placement

On 8 September 2021, Cauldron completed a placement to sophisticated and professional investor clients of 180 Markets Pty Ltd resulting in the issue of 35,294,118 shares at \$0.034 (3.4 cents) per share each, raising a total of \$1,200,000 before costs (Placement).

Participants in the Placement also received a free attaching option on a 1 for 2 basis which are exercisable at \$0.05 (5 cents) and which have an expiry of 30 November 2023, resulting in the issue of 17,647,059 unlisted options.

As Lead Manager to the Placement, 180 Markets Pty Ltd was paid a fee of \$72,000, being 6% of the monies raised pursuant to the Placement.

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.

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
6 November 2020	30 November 2023	(0.05)	43,354,839
8 November 2021	30 November 2023	(0.05)	17,647,059

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 FY21, 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 2021 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.

DIRECTORS' REPORT**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	3	3
Jess Oram	3	3
Qiu Derong	3	3
Judy Li	3	3
Chenchong Zhou	3	3

Due to distance and differing time zones, and more recently the COVID-19 pandemic, Board matters have been resolved by way of circular resolution with the Board being kept abreast by management of developments within the business by regular written and verbal communications.

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.

The auditor's independence declaration for the year ended 30 June 2021 has been received and is included on page 26 of the annual report.

NON-AUDIT SERVICES

There were no non-audit services were provided by the Company's auditor BDO (WA) Pty Ltd.

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

Mr Simon Youds
Executive Chairman
30 September 2021

AUDITOR'S INDEPENDENCE DECLARATION

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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 2021, 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.

A handwritten signature in black ink, appearing to read 'J Prue', is written in a cursive style.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2021

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	2021 \$	2020 \$
Continuing Operations			
Revenue	3 (a)	1	1,419
Other Income	3 (b)	92,550	111,424
Administration expenses		(77,029)	(35,628)
Employee benefits expenses		(384,254)	(374,335)
Directors' fees		(170,848)	(147,000)
Compliance and regulatory expenses		(116,888)	(84,187)
Consultancy expenses		(106,738)	(253,925)
Legal fees		(230,171)	(23,519)
Occupancy expenses		(35,045)	(13,908)
Travel expenses		-	(17,037)
Exploration expenditure		(285,655)	(93,386)
Net fair value gain/(loss) on financial assets	10	1,138,932	(449,691)
Depreciation and amortisation		(2,636)	(4,071)
Share based payments expense	27	(87,000)	(9,534)
Impairment losses	4	(404,724)	(241,238)
(Loss)/profit for the year before income tax		(669,504)	(1,634,616)
Income tax expense	7	-	-
(Loss)/profit for the year from continuing operations attributable to members of the Company		(669,504)	(1,634,616)
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
Total comprehensive (loss)/profit for the year attributable to members of the Company		(669,504)	(1,632,593)
(Loss)/profit per share			
Basic (loss)/profit per share (cents per share)	20	(0.16)	(0.47)
Diluted (loss)/profit per share (cents per share)	20	(0.16)	(0.47)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	375,221	396,311
Trade and other receivables	9	77,951	26,562
Financial assets at fair value through profit or loss	10	1,517,787	600,146
Total current assets		1,970,959	1,023,019
Non-current assets			
Exploration and evaluation	12	2,243,619	-
Plant and equipment	13	2,311	4,947
Total non-current assets		2,245,930	4,947
Total assets		4,216,889	1,027,966
LIABILITIES			
Current liabilities			
Trade and other payables	14	956,863	700,512
Employee entitlements	15	101,121	92,755
Total current liabilities		1,057,984	793,267
Total liabilities		1,057,984	793,267
Net assets		3,158,905	234,699
Equity			
Issued capital	16	58,269,504	56,380,921
Reserves	17	5,129,235	4,203,556
Non-Controlling Interests		779,448	-
Accumulated losses	19	(61,019,282)	(60,349,778)
Total equity		3,158,905	234,699

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

CONSOLIDATED STATEMENT OF CASH FLOWS

		2021	2020
	Notes	\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(1,206,305)	(791,771)
Interest received		1	1,419
Net cash flows used in operating activities	24 (a)	(1,206,304)	(790,352)
Cash flows from investing activities			
Payments for exploration and evaluation		(694,547)	(309,916)
Funding provided to Caudillo Resources SA		-	(19,583)
Proceeds from sales of equity investments	10	279,761	285,072
Net cash flows (used in)/ investing activities		(414,786)	(44,427)
Cash flows from financing activities			
Proceeds from issue of shares	16	1,600,000	705,002
Net cash flows (used in)/from investing activities		1,600,000	705,002
Net decrease in cash and cash equivalents		(21,090)	(129,777)
Effects of exchange rate changes on cash		-	(593)
Cash and cash equivalents at beginning of period		396,311	526,681
Cash and cash equivalents at end of period	8	375,221	396,311

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Accumulated Losses	Share Based Payment Reserve	Foreign Currency Translation Reserve	Non- Controlling Interests	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	55,675,919	(58,715,161)	5,808,480	(1,616,481)	-	4,381,442
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 2020	56,380,921	(60,349,778)	5,818,014	(1,614,458)	-	234,699
Loss attributable to members of the parent entity	-	(669,504)	-	-	-	(669,504)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive Loss for the year	-	(669,504)	-	-	-	(669,504)
Transactions with owners in their capacity as owners						
Acquisition of Blackwood Gold Project	527,000	-	284,262	-	779,448	1,590,710
Acquisition of WA Sands Project	316,000	-	-	-	-	316,000
Performance rights	-	-	87,000	-	-	87,000
Shares issued during the period, net of costs	1,045,583	-	554,417	-	-	1,600,000
Balance at 30 June 2021	58,269,504	(61,019,282)	6,743,693	(1,614,458)	779,848	3,158,905

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 2021 and was authorised for issue in accordance with a resolution of the directors on 30 September 2021.

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.

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 2021.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

Non-Controlling Interests

The Group recognised non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in the Blackwood Goldfield Project, the Group elected to recognise the non-controlling interests in at its proportionate share of the net assets acquired.

Control of 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 and they are deconsolidated from the date that control ceases.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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 as 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The depreciation rates used for each class of depreciable assets for the 30 June 2021 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

o. Leases

At the 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 (ie 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.

o. 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.

Other revenue

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

p. 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 measured 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

q. **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.

r. **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. 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.

s. **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.

Asset Acquisition not Constituting a Business

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

Control of Blackwood Goldfield Joint Venture Pty Ltd

The group has determined that it controls Blackwood Goldfield Joint Venture Pty Ltd ("Blackwood") as it is exposed to variable returns from its involvement with Blackwood and has the ability to affect those returns through its power over Blackwood. This is based on both its shareholding of and board representation in Blackwood.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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.

Comparative Figures

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

t. *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."

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ii. **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 2021, the Group had cash and cash equivalents of \$375,221 and had net working capital of \$912,974. The Group incurred a loss for the year ended 30 June 2021 of \$185,837 (30 June 2020: \$1,634,616 loss) and net cash outflows used in operating activities and investing activities totalling \$1,621,090 (30 June 2020: \$834,779).

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 demonstrated its ability to raise funds through equity issues by way of share capital raising completed in September 2021 - refer Note 29;
- the Group holds a portfolio of investments valued at \$1,517,787 at 30 June 2021, 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 further 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Segment Information	Mineral Exploration		Other		Total	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Revenue						
Interest received	-	-	1	1,419	1	1,419
Other	-	-	34,080	59,410	34,080	59,410
Gain on disposal of financial assets	-	-	58,470	52,014	58,470	52,014
Total segment revenue and other income	-	-	92,551	112,843	92,551	112,843
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	-	-	1,138,932	(449,691)	1,138,932	(449,691)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Segment Information	Mineral Exploration		Other		Total	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Impairment of loans and receivables	-	-	(47,087)	(24,708)	(47,087)	(24,708)
Impairment of exploration assets	(357,637)	(216,530)	-	-	(357,637)	(216,530)
Depreciation	-	-	(2,636)	(4,071)	(2,636)	(4,071)
Employee benefits expense	-	-	(384,254)	(374,335)	(384,254)	(374,335)
Directors fees	-	-	(170,848)	(147,000)	(170,848)	(147,000)
Consultancy expenses	-	-	(106,738)	(253,925)	(106,738)	(253,925)
Legal fees	-	-	(230,171)	(23,519)	(230,171)	(23,519)
Tenement expenditure	(285,655)	(93,386)	-	-	(285,655)	(93,386)
Share based payments expense	-	-	(87,000)	(9,534)	(87,000)	(9,534)
Other expenses	-	-	(228,961)	(37,917)	(228,961)	(37,917)
Total segment net operating profit / (loss) after tax	(643,292)	(309,916)	(26,212)	(1,324,670)	(669,504)	(1,634,616)
Segment assets						
Segment assets include:						
Exploration assets	2,243,619	-	-	-	2,243,619	-
Financial assets	-	-	1,517,787	600,146	1,517,787	600,146
Other assets	-	-	455,483	427,820	455,483	427,820
	2,243,619	-	1,973,270	1,027,966	4,216,889	1,027,966
Segment liabilities	-	-	(1,057,985)	(793,267)	(1,057,984)	(793,267)
Segment net assets	2,243,619	-	915,285	234,699	3,158,905	234,699
Segment information by geographical region						
The analysis of the location of net assets is as follows:						
Australia					3,162,882	228,893
Argentina					(3,977)	5,806
					3,158,905	234,699

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. REVENUE AND OTHER INCOME

	2021	2020
	\$	\$
(a) Revenue		
Interest received	1	1,419
Total revenue	1	1,419
(b) Other income		
Gain on disposal of financial assets at fair value through profit or loss	58,470	52,014
Other	34,080	59,410
Total other income	92,550	111,424

4. IMPAIRMENT LOSSES

Impairment of exploration and evaluation expenditure	357,637	216,530
Impairment of loans and receivables	47,087	-
Expected credit loss of loans and other receivables	-	24,708
Total impairment losses	404,724	241,238

5. REMUNERATION OF AUDITORS

<i>Paid or payable to BDO (WA) Pty Ltd for:</i>		
Audit and review of financial statements	35,923	32,924
Total auditor's remuneration	35,923	32,924

6. KEY MANAGEMENT PERSONNEL

Names and positions held of key management personnel in office at any time during the 2020/2021 financial year were:

Name	Position
Simon Youds	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 2021.

Refer to Note 27 for share-based payments issued to Directors during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. INCOME TAX

	2021	2020
	\$	\$
(a) The components of tax expense comprise:		
Current tax (expense)/benefit	-	-
Deferred tax (expense)/benefit	-	-
Total	-	-
(b) The prima facia 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	(669,504)	(1,634,616)
Total accounting (loss)/profit before tax	(669,504)	(1,634,616)
Prima facie income tax (expense)/benefit @ 30.0%	(200,851)	(490,385)
Tax effect of:		
Non-deductible expenses	33,035	89,821
Tax losses utilised	(219,989)	(64,959)
Deductible capitalised exploration costs	(17,541)	(15,604)
Realised capital (gain)/loss on investments	(341,680)	134,907
Unrealised capital (gain)/loss on investments	1,143	24,156
Non-assessable non-exempt foreign related expenditure	(1,800)	(1,800)
Section 40-880 deduction	(10,224)	(17,793)
Losses and other deferred tax balances not recognised during the period	757,907	341,656
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	30,336	27,736
Other receivables	26,096	26,096
Other payables	126,334	92,734
Capital raising costs	-	1,800
Tax losses	5,295,505	4,564,179
Deferred tax assets not recognised	(5,478,271)	(4,712,544)
Total deferred tax assets	-	-
Deferred tax liabilities		
Exploration	219,989	-
Deferred tax liabilities not recognised	(219,989)	-
Total deferred tax liabilities	-	-
Net recognised deferred tax assets/(liabilities)	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
Cash at bank and in hand	375,221	396,311
Cash and cash equivalents	375,221	396,311
<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	375,221	396,311
Cash held in trust	-	-
Cash for reconciliation of cash flow statement	375,221	396,311

9. TRADE AND OTHER RECEIVABLES

CURRENT		
Trade receivables	159,938	108,549
Prepayments	5,000	5,000
Allowance for expected credit losses (2020: Provision for impairment of receivables) (a)	(86,987)	(86,987)
Total current trade and other receivables	77,951	26,562
(a) Provision for non-recovery of trade receivables		
Balance at 1 July	(86,987)	(82,719)
Impairment of receivable	-	(4,268)
Balance at 30 June	(86,987)	(86,987)

Allowance for expected credit losses

The Group has recognised a loss of \$nil, in profit or loss in respect of the expected credit losses for the year ended 30 June 2021 for its Trade and Other Receivables (30 June 2020: \$4,268).

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
2021			
Trade receivables	159,938	86,987	72,951
2020			
Trade receivables	108,549	86,987	21,562

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. FINANCIAL ASSETS

	2021	2020
	\$	\$
Financial assets at fair value through profit or loss (listed investments)	1,512,527	594,886
Financial assets at fair value through profit or loss (unlisted investments)	5,260	5,260
Total financial assets	1,517,787	600,146
Movements:		
Opening balance	600,146	1,282,895
Disposal of equity securities	(279,761)	(285,072)
Realised fair value gain/(loss) through profit or loss	58,470	52,014
Fair value gain/(loss) through profit or loss	1,138,932	(449,691)
Closing balance	1,517,787	600,146

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. EXPLORATION AND EVALUATION EXPENDITURE

	2021	2020
	\$	\$
Exploration and evaluation expenditure	12,406,555	9,588,768
Exploration and evaluation expenditure - provision for impairment	(10,162,935)	(9,588,768)
Net carrying amount exploration and evaluation	2,243,609	-
Reconciliation of carrying amounts		
Balance at 1 July	-	-
Acquisition costs capitalised- Blackwood Gold Project (Note 26)	1,590,710	-
Exploration expenditure capitalised – Blackwood Gold Project	105,706	-
Acquisition costs capitalised- WA Sands Project (Note 26)	547,204	-
Exploration expenditure incurred- Yanrey Uranium Project	357,637	216,530
Impairment of exploration expenditure - Yanrey Uranium Project	(357,637)	(216,530)
Balance at 30 June	2,243,619	-

13. PLANT AND EQUIPMENT

At cost	36,793	40,096
Accumulated depreciation	(34,483)	(35,979)
Net carrying amount exploration and evaluation	2,311	4,947
Reconciliation of carrying amounts		
Balance at 1 July	4,947	9,018
Additions	-	-
Depreciation expense	(2,636)	(4,071)
Balance at 30 June	2,311	4,947

14. TRADE AND OTHER PAYABLES

Trade payables	157,705	101,400
Other payables and accruals	799,158	599,112
Total trade and other payables	956,863	700,512

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

15. PROVISIONS

Current		
Employee benefits	101,121	92,755
Total provisions	101,121	92,755

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. ISSUED CAPITAL

	2021	2020	2021	2020
	No. Shares	No. Shares	\$	\$
Share capital				
Ordinary shares fully paid	455,999,512	376,289,835	58,269,504	56,380,921
Opening balance at 1 July	376,289,835	329,289,708	56,380,921	55,675,919
Project Acquisition - Blackwood	17,000,000	-	527,000	-
Project Acquisition - WA Sands	8,000,000	-	316,000	-
Share Placement	51,612,903	47,000,127	1,600,000	705,002
Share Placement - Lead Manager	3,096,774	-	96,000	-
Share issue costs	-	-	(650,417)	-
Closing balance at 30 June	455,999,512	376,289,835	58,269,504	56,380,921

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, 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 \$58,269,504 at 30 June 2021 (2020: \$56,380,921). 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.

17. RESERVES

	2021	2020
	\$	\$
Reserves		
Share based payment reserve (a)	6,743,694	5,808,481
Foreign currency translation reserve (b)	(1,614,459)	(1,614,459)
Total reserves	5,129,235	4,194,022
(a) Share based payment reserve		
Reserve balance at beginning of year	5,808,481	5,808,481
Performance rights - allocation of value	87,000	-
Options issued to vendor of Blackwood Gold Project (Note 26)	284,262	-
Options issued as part of November 2020 Placement	554,417	-
Reserve balance at end of year	6,743,160	5,808,481
(b) Foreign currency translation reserve		
Reserve balance at beginning of year	(1,614,459)	(1,616,482)
Foreign currency exchange differences arising on translation of foreign operations	-	2,023
Reserve balance at end of year	(1,614,459)	(1,614,459)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. OPTIONS OVER UNISSUED SHARES

Unissued ordinary shares of the Company under option at 30 June 2021 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
16 September 2020	16 September 2022	(0.03)	10,000,000
16 September 2020	16 September 2023	(0.05)	6,000,000
6 November 2020	30 November 2023	(0.05)	43,354,839
			82,854,903

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.

19. ACCUMULATED LOSSES

	2021 \$	2020 \$
Accumulated Losses	(60,488,528)	(60,349,778)
Accumulated losses at 1 July	(60,349,778)	(58,715,162)
Net (loss)/profit attributable to members	(669,504)	(1,634,616)
Balance at 30 June	(61,019,282)	(60,349,778)

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	(669,504)	(1,625,083)
Net loss attributable to ordinary equity holders of the parent for basic earnings	(669,504)	(1,625,083)
(b) Weighted average number of shares outstanding during the year used in the calculation of:	No.	No.
Basic earnings/(loss) per share	428,515,023	345,262,377
Diluted earnings/(loss) per share	428,515,023	345,262,377
	Cents per share	Cents per share
Basic earnings/(loss) per share		
Continuing operations	(0.16)	(0.47)
Diluted earnings/(loss) per share		
Continuing operations	(0.16)	(0.47)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	
				2021 %	2020 %	2021 \$	2020 \$
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	Australia	3 April 2020	Ord	51	51	2	2
Anthill Concrete Pty Ltd	Australia	15 April 2021	Ord	100	-	2	-
Total Investment						18	16

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 2021 (30 June 2020: nil).

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 2021 (30 June 2020: 10.43%). 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 2021.

	2021 \$	2020 \$
<i>The key management personnel compensation comprised of:</i>		
Short term employment benefits	456,673	385,388
Long term employment benefits	3,809	3,706
Post-employment benefits	20,235	20,235
Share-based payments	87,001	9,534
Total key management personnel remuneration	567,718	418,962

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

	2021	2020
	\$	\$
Within one year	20,795	30,000
Between one and five years	-	20,795
Longer than five years	-	-
Total commitments	20,795	50,795

Exploration Expenditure Commitments

The minimum exploration expenditure commitments inclusive of rents and rates outstanding at 30 June 2021 in relation to the Company's licenced tenements were as follows:

Within one year	597,204	555,340
Between one and five years	-	-
Longer than five years	-	-
Total commitments	597,204	555,340

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	(669,504)	(1,634,616)
<i>Non-cash items:</i>		
Depreciation	2,636	4,071
Share based payments	87,000	9,534
Net fair value loss/(gain) on financial assets	(1,138,932)	449,691
Fair value gain on disposal of shares	58,470	52,014
Impairment losses	404,724	241,238
<i>Change in operating assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	(51,389)	2,543
Increase in trade and other creditors	92,327	61,447
Increase/(decrease) in provisions	8,366	23,726
Net cash flows used in operating activities	(1,206,304)	(790,352)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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	376,677	396,311
Cash for reconciliation of cash flow statement	376,677	396,311
<i>Non-cash investing and financing activities</i>		
Settlement of Blackwood Goldfields asset acquisition through the issue of shares and options (Note 26)	811,262	-
Settlement of WA Sands asset acquisition through the issue of shares (Note 26)	316,000	-
Share based payments	650,417	-
Total from non-cash investing activities	1,777,679	-

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:

	2021 \$	2020 \$
Financial assets		
Cash and cash equivalents (note 8)	375,221	396,311
Financial assets at fair value through profit or loss (listed investments) (note 10)	1,512,527	594,886
Financial assets at fair value through profit or loss (unlisted investments) (note 10)	5,260	5,260
Trade and other receivables (note 9)	77,951	26,562
Total Financial Assets	1,970,959	1,023,019
Financial liabilities		
Trade and other payables (note 14)	956,863	700,512
Total financial liabilities	956,863	700,512

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial risk management policies

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

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

	2021 \$	2020 \$
Change in loss:		
Increase in interest rate by 200 basis points	7,533	7,926
Decrease in interest rate by 200 basis points	(7,533)	(7,926)

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% (2020 - 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)	
	2021 \$	2020 \$
Index		
ASX listed	302,505	118,977

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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:

	2021	2020
	\$	\$
Financial assets		
Cash and cash equivalents (note 8)	375,221	396,311
Trade and other receivables (note 9)	77,951	26,562
Total Financial Assets	453,172	422,873

(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 2021				
<i>Financial Assets</i>				
Cash and cash equivalents (note 8)	375,221	-	-	376,677
Financial assets at fair value through profit or loss (note 10)	1,517,787	-	-	1,517,787
Receivables and loans (note 9 and 11)	77,951	-	-	82,301
Total financial assets	1,970,959	-	-	1,976,765
<i>Financial liabilities</i>				
Trade and other payables (note 14)	956,863	-	-	915,280
Total financial liabilities	956,863	-	-	915,280
Net maturity	1,014,096	-	-	1,061,485
Year ended 30 June 2020				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Maturity analysis	Within 1 Year	1 to 5 Years	Over 5 Years	Total
	\$	\$	\$	\$
<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

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 inputs) (Level 3).

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Year ended 30 June 2021				
Financial Assets:				
Financial assets at fair value through profit or loss (note 10)	1,517,787	-	-	1,517,787
Year ended 30 June 2020				
Financial Assets:				
Financial assets at fair value through profit or loss (note 10)	600,146	-	-	600,146

CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. ASSET ACQUISITIONS**Blackwood Goldfields Project**

During the year the Group completed the acquisition of a 51% controlling interest in the Blackwood Goldfield Project through the issue of 17,000,000 fully paid ordinary shares, 10,000,000 Class A Unlisted Options plus 6,000,000 Class B Unlisted Options.

The exploration asset acquired is in the exploration phase and this together with the unique nature of the asset means that the valuation of the asset cannot be reliably estimated and as such, the fair value of the assets acquired have been measured by reference to the value of the equity instruments granted – refer below. It is considered that the acquisition of the 51% joint venture interest in the Blackwood Goldfield Project is not a business combination, but rather an acquisition of assets.

At the date of acquisition, the fair value of the acquisition was assessed as follows:

Net Identifiable Assets Acquired	\$
Exploration asset	1,590,710
Non-controlling equity interest in acquisition	(779,448)
	811,262
Consideration:	
17,000,000 fully paid ordinary shares @ \$0.031 each (a)	527,000
10,000,000 Class A Unlisted Options @ \$0.01772 each (b)	177,195
6,000,000 Class B Unlisted Options @ \$0.01784 each (b)	107,067
	811,262

The 17,000,000 fully paid ordinary shares were deemed to have a value of \$0.031 based on the market value at which the Company's shares traded on the date the conditions precedent relating to the acquisition of the Blackwood Gold Project were satisfied, being the 31st of August 2020.

(a) The Company adopted the Black-Scholes Option Pricing Methodology to calculate the fair value of the 10,000,000 Class A Unlisted Options and the 6,000,000 Class B Unlisted Options issued to the vendors of the Blackwood Gold Project.

The volatility was based determined based on the historical volatility. Other inputs were:

Number Issued	Valuation Date	Share Price	Exercise Price	Time to Maturity	Annualised volatility	Risk free interest rate	Fair value per Option	Value
10,000,000	31/08/2020	\$0.031	\$0.03	2 years	110%	0.26%	1.772 cents	\$177,195
6,000,000	31/08/2020	\$0.031	\$0.05	3 years	110%	0.24%	1.784 cents	\$107,067

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

WA Sands Project

Also during the year the Group completed the acquisition of a 100% interest in four tenements (E08/2328, E08/2329, E8/2642 and L08/71) that form part of the WA Sands Project through the issue of a total of 8,000,000 fully paid ordinary shares.

The exploration asset acquired is in the exploration phase and this together with the unique nature of the asset means that the valuation of the asset cannot be reliably estimated and as such, the fair value of the assets acquired have been measured by reference to the value of the equity instruments granted. It is considered that the acquisition of the in four tenements that form part of the WA Sands Project is not a business combination, but rather an acquisition of assets.

At the date of acquisition, the fair value of the acquisition was assessed as follows:

Net Identifiable Assets Acquired	\$
Exploration asset	547,204
	547,204
Consideration:	
First Tranche: 4,000,000 fully paid ordinary shares @ \$0.040 each (a)	160,000
Second Tranche: 4,000,000 fully paid ordinary shares @ \$0.039 each (b)	156,000
Directly attributable acquisition costs (c)	231,204
	547,204

The First Tranche of 4,000,000 fully paid ordinary shares were deemed to have a value of \$0.040 based on the market value at which the Company's shares traded on the day they were issued – 1 February 2021.

- (a) The Second Tranche of 4,000,000 fully paid ordinary shares were deemed to have a value of \$0.039 based on the market value at which the Company's shares traded on the day they were issued – 1 June 2021.
- (b) As part of the acquisition, the Company incurred various other costs including legal fees and other agreement-related costs that were directly attributable to the asset acquisition.

Under the terms of the acquisition agreement, Cauldron will be required to issue a further 12,000,000 fully paid shares if and when the remaining four tenements (ELA09/1816, MLA09/150, ELA04/2548 and M08/487) are transferred to the ownership of the Cauldron Energy Limited.

In addition, pursuant to the acquisition agreement, Cauldron is obligated to make production payments of \$250,000 upon the entering into of commercial production on either of ELA09/1816 or MLA09/150, plus \$250,000 upon the entering into of commercial production on ELA04/2548, plus \$500,000 upon the entering into of commercial production on either of E08/2328, E08/2329, E8/2642, M08/487 or L08/71, to be settled in cash or shares (based on an assumed share price of \$0.035) by mutual agreement, plus a royalty equal to \$1.00 per tonne or 2% of sales revenue (calculated based upon FOB prices) where Cauldron elects to undertake a mining operation as defined in the acquisition Agreement.

Cauldron notes that Mining Lease Application 09/150, is listed as "dead" on the register maintained by the Department of Mines, Industry Regulation and Safety of Western Australia. The recording of MLA09/150 as "dead" continues follows a decision in the Western Australian Supreme Court in the case *Onslow Resources Ltd v The Minister for Mines and Petroleum* [2020] WASC 310, in which the Justice determined that the application for ML09/150 was invalid. The decision is the subject of appeal. To manage the risk of a negative decision, the Company has applied for a duplicate Mining Lease Application 09/180 to counter the risk of loss. This application has now passed its objection period.

In addition, Cauldron notes that with respect to Mining Lease 08/487, that on 22 January 2021 proceedings were commenced against Quarry Park Pty Ltd, the Mining Registrar, the WA Minister for Mines and Petroleum and the Company in relation to the validity of ML08/487, and further, preventing Quarry Park Pty Ltd and Cauldron from executing or lodging a transfer of ML08/487. This matter is incomplete as at the date of this report.

Neither MLA09/150 and ML08/487 are considered material to the overall transaction and Cauldron will proceed with the acquisition of the remaining tenements whether or not each, or both, are ultimately included. In the event that ML08/487 or MLA09/150 or both are prevented from being transferred to Cauldron, the parties are agreed that they may consider an adjustment to the consideration (shares, production payments, royalties) to be paid to the vendors by Cauldron under the acquisition agreement, or a replacement of the respective tenements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. 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 2021 (2020: Nil).

Performance Rights

The following Performance Rights were issued during the year:

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	Period (years)	Share price on Grant Date	Recognition Date	Probability	Valuation per right
11 August 2020	5	\$0.029	21 May 2020	100%	\$0.029

Vesting Conditions:

- 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;
- Gross Proceeds exceed \$250,000 in any financial year; and
- 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).

Pursuant to AASB 2: Share Based Payments, a share based payments expense has been recognised with effect from the date the Board of Directors resolved to issue the performance rights (ie 21 May 2020) notwithstanding that they were subject to shareholder approval and require each director to remain in service in order to exercise. The effect is to recognise a share based payments expenses in the year ended 30 June 2021 of \$87,000 (2020: \$9,534).

28. CONTINGENT ASSETS AND LIABILITIES

The Group has no contingent liabilities or assets at 30 June 2021 (30 June 2020: nil).

29. 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.

Resignation of Mr Jess Oram as Chief Executive Officer

On 15 July 2021, Mr Jess Oram resigned his full-time position of Chief Executive Officer of the Company but remains with the Company in the capacity of non-executive director.

September 2021 Placement

On 8 September 2021, Cauldron completed a placement to sophisticated and professional investor clients of 180 Markets Pty Ltd resulting in the issue of 35,294,118 shares at \$0.034 (3.4 cents) per share each, raising a total of \$1,200,000 before costs (Placement).

Participants in the Placement also received a free attaching option on a 1 for 2 basis which are exercisable at \$0.05 (5 cents) and which have an expiry of 30 November 2023, resulting in the issue of 17,647,059 unlisted options.

As Lead Manager to the Placement, 180 Markets Pty Ltd was paid a fee of \$72,000, being 6% of the moneys raised pursuant to the Placement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. PARENT ENTITY DISCLOSURES

	2021	2020
	\$	\$
Financial Position		
Assets		
Current assets	380,712	416,925
Non-current assets	3,022,280	605,093
Total assets	3,402,992	1,022,018
Liabilities		
Current liabilities	101,121	788,989
Total liabilities	1,012,423	788,989
Equity		
Issued capital	58,269,504	56,380,921
Accumulated loss	(62,578,159)	(61,956,372)
Option premium reserve	6,734,159	5,808,480
Total equity	2,424,874	233,029
Financial Performance		
(Loss)/profit of parent entity	(622,417)	(1,634,16)
Total comprehensive (loss)/profit of the parent entity	(622,417)	(1,634,616)

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:

	2021	2020
	\$	\$
Subsidiaries		
Ronin Energy Ltd	23,329	23,329
Cauldron Minerals Ltd	8,900,347	8,900,347
Jakaranda Minerals Ltd	1,411,055	1,411,055
Raven Minerals Ltd	25,775	25,775
Anthill Concrete Ltd	7,585	-
Total value of loans provided to subsidiaries	10,368,091	10,360,506

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 28.

DIRECTORS' DECLARATION

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 27 to 59 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 2021 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; 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 2021 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 2021

INDEPENDENT AUDITOR'S REPORT



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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 2021, the consolidated statement 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 2021 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 Asset Acquisitions

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>During the financial year, the Group acquired a controlling interest in certain exploration assets in Victoria and Western Australia as disclosed in Note 26. The Group has assessed each of these transactions as asset acquisitions, rather than business combinations.</p> <p>Accounting for acquisitions is complex and requires management to exercise judgement to determine the appropriate accounting treatment including whether the acquisition should be classed as an asset or business acquisition, estimating the fair value of assets acquired and estimating the fair value of purchase consideration as disclosed in Note 1(t).</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the transactions, including reviewing management's assessment of whether the transactions constituted an asset acquisition or business combination; • Reviewing the sale and purchase agreements to understand key terms and conditions of each transaction; • Assessing management's determination of the fair value of consideration paid and agreeing consideration to supporting documentation; • Evaluating management's assessment of the fair value of the assets acquired; and • Assessing the adequacy of the Group's disclosures in Note 1(t) and Note 26 of the financial report.

INDEPENDENT AUDITOR'S REPORT



Valuation of Exploration and Evaluation Assets

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 12 to the financial report, the carrying value of exploration and evaluation asset represents a significant asset of the Group.</p> <p>Refer to Notes 1(t) and 12 of the financial report for a description of the accounting policy and significant judgements applied to exploration and evaluation assets.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> (AASB 6), the recoverability of exploration and evaluation expenditure required significant judgement by management in determining whether there are any facts or circumstances that exist to suggest the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and directors' minutes; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 1(t) and Note 12 to 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 2021, 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 13 to 21 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Cauldron Energy Limited, for the year ended 30 June 2021, 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

Handwritten signature of Jarrad Prue in black ink. The signature is written in a cursive style and is positioned below the printed name 'Jarrad Prue'.

Jarrad Prue

Director

Perth, 30 September 2021

ADDITIONAL INFORMATION

Additional information required by ASX Listing Rules and not shown elsewhere in the report is set out below. The information is current as of 15 October 2021.

1. CORPORATE GOVERNANCE

The Company's Corporate Governance Statement is available on the corporate governance page on the Company's website at www.cauldronenergy.com.au/about-us/corporate-directory-governance.

2. SHAREHOLDING AS AT 15 OCTOBER 2021

Cumulative number of fully paid ordinary shares on issue **491,293,630**

3. SUBSTANTIAL HOLDERS AS AT 15 OCTOBER 2021

The names of the substantial shareholders listed in the Company's register as at 15 October 2021 were:

Shareholder	Number of shares held
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
Dempsey Resources Pty Ltd	25,186,036

4. DISTRIBUTION OF EQUITY SECURITIES AS AT 15 OCTOBER 2021

The distribution of members and their holdings of securities in the Company as at 15 October 2021 were as follows:

Range	Number of shareholders	Fully Paid Ordinary Shares
1 - 1,000	185	81,941
1001 - 5,000	395	1,029,442
5001 - 10,000	237	1,903,612
10,001 - 100,000	675	26,603,927
100,001 and over	335	461,674,708
TOTAL	1,827	491,293,630

5. UN-MARKETABLE PARCELS AS AT 15 OCTOBER 2021

As at 15 October 2021, there were 945 holders (each holding 15,625 or less fully paid ordinary shares) or less than a marketable parcel of ordinary shares, based upon the closing share price on 14 October 2021 of \$0.032. In cumulative, the number of shares held by holders of unmarketable parcels totalled 4,704,320.

ADDITIONAL INFORMATION

6. UN-QUOTED SECURITIES AS AT 15 OCTOBER 2021

Class	Exercise Price	Issue Date	Expiry Date	No. of Securities	No. of Holders	Name (where holder >20%)	Number held (%)
Options	\$0.03	23-Dec-19	31-Dec-21	6,833,395	11	Dugal McDougall WJ Armstrong S/F Pty Ltd	1,889,000 (28%) 1,666,666 (24%)
Options	\$0.03	24-Mar-20	31-Mar-22	16,666,666	7	Derong Qui	15,000,000 (90%)
Options	\$0.03	16-Sep-20	16-Sep-22	10,000,000	11	Stuart McDougall Dugal McDougall	2,294,720 (24%) 2,442,152 (24%)
Options	\$0.05	16-Sep-20	16-Sep-23	6,000,000	10	Stuart McDougall	1,205,136 (20%)
Options	\$0.05	6-Nov-20, 8-Sep-21	30-Nov-23	61,001,898	10		
Rights	\$0.00	16-Sep-20	16-Sep-23	9,000,000	5	Simon Youds Jess Oram	4,000,000 (44%) 2,000,000 (22%)

7. TWENTY LARGEST SHAREHOLDERS AS AT 15 OCTOBER 2021

The names of the twenty largest holders of ordinary fully paid shares at 15 October 2021 are:

Name	Number of ordinary shares held	% of issued shares
Mr Derong Qiu	47,544,710	9.68%
Joseph Energy (Hong Kong) Limited	41,205,500	8.39%
Starry World Investment Ltd	33,898,318	6.90%
Sky Shiner Investment Ltd	31,400,000	6.39%
Yidi Tao	31,250,000	6.36%
Dekang Qiu	30,000,000	6.11%
Dempsey Resources Pty Ltd	25,186,036	5.13%
Citicorp Nominees Pty Ltd	10,708,623	2.18%
Yarri Mining Pty Ltd	8,000,000	1.63%
BNP Paribas Nominees Pty Ltd	7,119,942	1.45%
Sufian Ahmad <Sixty Two Capital A/c>	6,430,000	1.31%
Doone Lee McDougall	5,367,271	1.09%
Dugal McDougall	4,323,387	0.88%
BNP Paribas Nominees Pty Ltd ACF Clearstream	4,270,364	0.87%
M & K Korkidas Pty Ltd	4,250,000	0.85%
Capeline Nominees Pty Ltd	4,172,864	1.11%
CALM Holdings Pty Ltd	4,000,000	0.81%
Armstrong Constructions (Vic) Pty Ltd	3,333,333	0.69%
Brian Catherine	3,331,026	0.68%
Okewood Pty Ltd	3,300,000	0.67%
	309,091,374	63.18%

ADDITIONAL INFORMATION

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.

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%
EL5479	BLACKWOOD – VICTORIA	51%
E08/2328	ONSLOW – WESTERN AUSTRALIA	100%
E08/2329	ONSLOW – WESTERN AUSTRALIA	100%
E08/2462	ONSLOW – WESTERN AUSTRALIA	100%
L08/71	ONSLOW – 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%

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Au
GOLD

Environmentally sensitive exploration on our contiguous holding of ~160 km² covering much of the historic Blackwood Goldfield in the highly prolific Central Victorian Goldfields that comprise Ballarat and Bendigo. Our **Blackwood Gold Project** is a sizeable foothold in a largely forgotten but historically significant goldfield that has received only sporadic exploration since the 1920's and which has the potential for significant expansion of known mineral resource, fast-tracking of mining production and medium-term generation of cashflow.



cauldron
energy

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