



(ABN 22 102 912 783)
AND CONTROLLED ENTITIES

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2019

CAULDRON ENERGY LIMITED

CORPORATE INFORMATION

NON-EXECUTIVE CHAIRMAN

Simon Youds

EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

Jess Oram

NON-EXECUTIVE DIRECTORS

Qiu Derong

Judy Li

Simon Youds

Chenchong Zhou

COMPANY SECRETARY

Michael Fry

PRINCIPAL & REGISTERED OFFICE

Ground Floor, 20 Kings Park Road

West Perth WA 6005

Telephone: (08) 6462 1421

Facsimile: (08) 6263 3347

Website: www.cauldronenergy.com.au

AUDITORS

BDO Audit (WA) Pty Ltd

38 Station Street

Subiaco WA 6008

SHARE REGISTRAR

Advanced Share Registry

110 Stirling Hwy

Nedlands WA 6009

Telephone: (08) 9389 8033

Facsimile: (08) 9262 3723

STOCK EXCHANGE LISTING

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: CXU

BANKERS

National Australia Bank

100 St Georges Terrace

Perth WA 6000

CAULDRON ENERGY LIMITED
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CAULDRON ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

Your directors submit the financial report of the Company for the year ended 30 June 2019. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows.

DIRECTORS

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

Mr Simon Youds

Non-Executive Director and Chairman

Appointed on 15 March 2019

B.Eng (Mining), MBA, AUSIMM Member

Mr Simon Youds was appointed as a Non-Executive Director and Chairman effective 15 March 2019. Mr Youds is currently the Chief Executive Officer of ASX-listed company Vector Resources Ltd. He is former Chief Executive Officer of African Iron, an iron ore explorer in the Republic of Congo, where he facilitated a A\$388 million deal for its purchase by Exxaro Resources. I 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 None

Interest in Shares & options Fully Paid Ordinary Shares 4,172,864

Mr Jess Oram

Executive Director and Chief Executive Officer

Appointed on 1 January 2018

B.Sc, AIG member

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

Directorships of listed companies held within the last 3 years Force Commodities Limited February 2019 to present

Interest in Shares & options None

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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 None

Interest in Shares & options Fully Paid Ordinary Shares 47,544,710

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 None

Interest in Shares & options None

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 None

Interest in Shares & options None

The names and particulars of directors of the Company who resigned during the year were:

Mr Antony Sage

former Non-Executive Director and Chairman

Resigned 22 November 2018

B.Bus, FCPA, CA, FTIA

Mr Sage has in excess of 30 years' experience in the fields of corporate advisory services, funds management and capital raising. Mr Sage is based in Western Australia and has been involved in the management and financing of listed mining and exploration companies for the last 20 years. Mr Sage has operated in Argentina, Brazil, Peru, Romania, Russia, Sierra Leone, Guinea, Cote d'Ivoire, Congo, South Africa, Indonesia, China and Australia. Mr Sage is currently chairman of ASX-listed companies, Cape Lambert Resources Ltd (which was AIM Company of the year in 2008), Fe Ltd, and European Lithium Limited. Mr Antony Sage is also a Non-Executive Director of the National Stock Exchange of

CAULDRON ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

Australia (**NSX**) listed International Petroleum Ltd. He is also the sole owner of A League football club Perth Glory that plays in the National competition in Australia.

Directorships of listed companies held within the last 3 years	Cape Lambert Resources Limited European Lithium Limited Kupang Resources Limited ⁽¹⁾ Caeneus Limited International Petroleum Limited ⁽²⁾	December 2000 to present August 2009 to present September 2016 to August 2015 December 2010 to January 2016 January 2006 to present
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Interest in Shares & options None

- (1) Company was delisted August 2015
(2) Listed on National Stock Exchange of Australia

Mr Nicholas Sage
former Non-Executive Director
Resigned 25 February 2019

Mr Sage is an experienced marketing and communications professional with over 25 years' experience in various management and consulting roles. Mr Sage is based in Western Australia and currently consults to various companies and has held various managements roles with Tourism Western Australia. He also runs his management consulting business.

Directorships of listed companies held within the last 3 years	Fe Limited International Goldfields Limited	October 2016 to present January 2018 to present
Interest in Shares & options	None	

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the financial year was uranium exploration.

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

OPERATING RESULTS

The loss of the Consolidated Entity after providing for income tax amounted to \$3,197,797 (30 June 2018: \$173,299 profit).

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 controls uranium prospective tenements and a smaller gold prospective project within Western Australia. The Company also has an interest in a large project with defined uranium mineralisation and prospects for copper and gold in Argentina.

CAULDRON ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

CORPORATE

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

Board Changes

On the 22 November 2018, Mr Antony Sage resigned as a Non-Executive Director and Chairman.

On 25 February 2019, Mr Nicholas Sage was removed as a director of Cauldron as resolved by shareholders at a General Meeting of the Company on same date.

On 15 March 2019, Mr Simon Youds was appointed as Non-Executive Director and Chairman.

Change of Company Secretary

On 15 April 2019, Michael Fry was appointed as Company Secretary in replacement of Catherine Grant-Edwards.

Change of Registered Office

Effective from 15 April 2019, the Company's registered office and administration office has relocated to Ground Floor, 20 Kings Park Road, West Perth, Western Australia.

Annual General Meeting

The Company held its annual general meeting on 22 November 2018 (**AGM**). All resolutions put to shareholders were passed.

Yanrey Farm-In

On 4 October 2018, Cauldron and Oceltip Metals Pty Ltd (Oceltip) entered into a farm-in-agreement, subject to due diligence, under which Oceltip would fund exploration to the value of \$2 million over an initial three year earn-in period to earn 60% on Cauldron's E08/2017, E08/2385, E08/2386, E08/2387, and applications for E08/2666, E08/2667 and E08/2668, together referred to as Cauldron's Yanrey North Project.

On 18 December 2018, Cauldron terminated the Yanrey North Project farm-in-agreement as Oceltip had not completed its due diligence in the time set out under the terms of the farm-in-agreement.

Acquisition of Pippingarra Lithium Project and Marble Bar Lithium Project

On 5 October 2018, Cauldron entered into an agreement with Mercury Resources Group Pty Ltd (Mercury), an unrelated private exploration and mining group, to acquire 100% of the Pippingarra Lithium Project and the Marble Bar Lithium Project.

On 16 November 2018, Cauldron together with mercury agreed to terminate the acquisition agreement.

CHANGES IN CAPITAL STRUCTURE

Shares

There were no shares issued during the year.

Options

No options were issued or exercised during the year.

Twenty million (20,000,000) options having an exercise price of \$0.08 and an expiry of 31 December 2018 lapsed during the year.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

PROJECT INFORMATION

In Australia, Cauldron owns the Yanrey Project (**Figure 1**) which covers more than 1,050 km² and comprises eleven granted exploration licences and one application for exploration licences. Yanrey is prospective for large sedimentary-hosted uranium deposits.

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



Figure 1: Map Location of Cauldron Projects

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

On the 26 July 2017, Cauldron withdrew a program of works (POW) submitted to DMIRS in February 2017 for a Field Leach trial (FLT) at Bennet Well. This POW was for a pump test, the results of which were to inform a later stage of the FLT. The pump-test was referred to the Environmental Protection Agency of Western Australia. This FLT was to test the parameters of extraction of uranium by in-situ recovery (ISR) mining methodology.

The design of a new FLT will be deferred until there is clarity on the guidelines of exploration for uranium in Western Australia. Cauldron is in continued dialogue with the Department of Mines, Industry Regulation and Safety seeking clarification on the status of exploration for uranium in Western Australia.

BENNET WELL (YANREY REGION)

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

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

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FOR THE YEAR ENDED 30 JUNE 2019

Cauldron intends to submit a POW to DMIRS for a potential FLT, when the policy on uranium exploration is clarified and if the standard regulatory system applies. Cauldron is working with industry leader Inception Consulting Engineers to design a new version field leach trial.

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

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FOR THE YEAR ENDED 30 JUNE 2019

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

YANREY PROJECT

The Yanrey Project comprises a collection of eleven granted exploration tenements in northwest Western Australia, one of which secures the Bennet Well Uranium Deposit. The project is prospective of sandstone-style uranium mineralisation capable of extraction by in-situ recovery mining techniques.

In the early part of the reporting period, Cauldron continued passive seismic surveying in areas distal to Bennet Well, within the greater Yanrey Project region. New survey lines were completed in areas both to the north and south of the Bennet Well Deposit. Results highlighted:

- areas of shallow Cretaceous cover that can be de-prioritised from further work because they are not suitable for acting as hosting mineralisation of the style similar to Bennet Well; and
- areas of complex basement morphology in southern tenement E08/1501, and northern tenement E08/1489.

PROJECT GENERATION

As a direct result of the current policy on uranium mining in Western Australia, and the unclear guidelines on the exploration for uranium, field operations at the Yanrey Project have been inactive. There has been considerable effort seeking advanced exploration projects in commodities other than uranium, to diversify the company's project portfolio. Projects reviewed are mostly in Africa (copper and uranium in Namibia, copper in Democratic Republic of Congo, copper-cobalt in Namibia, nickel in Zimbabwe). Other areas and commodities include projects in USA comprising vanadium, gold and gold-silver; also Papua New Guinea for nickel, and Australia for nickel, and gold.

Cauldron is seeking high value advanced exploration projects capable of rapid improvement in value because of some specific quality of the project. This improvement in value will be realised with judicious exploration activity aimed at moving the project towards a decision to mine.

Project generation is advancing well, with many reviews derived from many leads established through a network built from a near permanent presence in Africa. Given the quantity and type of projects available, it is predicted that a suitable project for Cauldron will be sourced soon.

TENEMENT ADMINISTRATION: AUSTRALIA

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

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

The Company will inform shareholders of any material developments.

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

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

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FOR THE YEAR ENDED 30 JUNE 2019

The Company will inform shareholders of any material developments.

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

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

EXPLORATION ACTIVITIES: ARGENTINA

In Argentina, Cauldron controls, through its wholly-owned subsidiary Cauldron Minerals Limited ("Cauldron Minerals"), 445 km² of exploration licences at its most advanced and 100% owned project, Rio Colorado, in Catamarca. The project is prospective for copper and silver of the globally significant stratabound sedimentary-hosted copper style of deposit.

In May 2017, Cauldron initiated an agreement to terminate the existing joint venture arrangement with Horatio Solis and complete acquisition of 100% interest in the Rio Colorado Project. The transaction was completed during the December 2017 quarter.

Cauldron requested the Argentine government to outright surrender Mina Colorada, (file 393-S-2010) in Catamarca, on 10 August 2017. Government approval of this surrender has been received.

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

The Rio Colorada Project is currently in suspension and no work is planned whilst the Company undertakes a thorough review of the potential of the Project and opportunities for joint venture, farm-in or sale.

Competent Person Statement

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

The information in this report that relates to sampling techniques and data, exploration results, geological interpretation and Exploration Targets, Mineral Resources or Ore Reserves for the Yanrey Project and the Rio Colorado 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 included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

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

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

CAULDRON ENERGY LIMITED

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FOR THE YEAR ENDED 30 JUNE 2019

business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

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

BUSINESS STRATEGIES AND PROSPECTS FOR THE FORTHCOMING YEAR

The Company is involved in the mineral exploration industry.

Bennet Well Prospect is and will remain Cauldron's primary focus.

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no changes in the state of affairs of the Consolidated Entity 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 Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

ENVIRONMENTAL ISSUES

The Consolidated Entity 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

There are nil options over unissued ordinary shares at the date of this report.

During the year ended 30 June 2019, 20 million options having an exercise price of \$0.08 and an expiry date of 31 December 2018 lapsed.

CORPORATE GOVERNANCE

Throughout FY19, 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 2019 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

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Committee Charters and key policies and documents referred to in the Corporate Governance Statement.

MEETINGS OF DIRECTORS

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

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

Director	Directors' meetings	
	Held while in office	Attended
Antony Sage (resigned 22 November 2018)	4	4
Simon Youds (appointed 15 March 2019)	-	-
Jess Oram	5	5
Qiu Derong	5	5
Judy Li	5	5
Nicholas Sage (resigned 25 February 2019)	5	5
Chenchong Zhou	5	5

The Consolidated Entity does not have a formally constituted audit committee or remuneration committee as the board considers that the Consolidated Entity'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.

COMPANY SECRETARY

Michael Fry was appointed as Company Secretary on 15 April 2019 replacing Catherine Grant-Edwards who resigned on the same date.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2019 has been received and is included on page 18 of the annual report.

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REMUNERATION REPORT (AUDITED)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of Cauldron's directors for the financial year ended 30 June 2019.

KEY MANAGEMENT PERSONNEL

Key Management Personnel includes:

- Antony Sage (Non-executive Chairman) (Resigned from role of Non-Executive Chairman 22 November 2018)
- Simon Youds (Non-executive Chairman) appointed 15 March 2019
- Jess Oram (Chief Executive Officer and Executive Director)
- Qiu Derong (Non-executive Director)
- Judy Li (Non-executive Director)
- Chenchong Zhou (Non-executive Director)
- Nicholas Sage (Non-executive Director (Resigned 25 February 2019))

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. The 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 Consolidated Entity, 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 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 Consolidated Entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Consolidated Entity.

REMUNERATION REPORT AT 2018 AGM

The 2018 remuneration report received positive shareholder support at the 2018 Annual General Meeting whereby of the proxies received 99.9% voted in favour of the adoption of the remuneration report.

CAULDRON ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

COMPANY PERFORMANCE, SHAREHOLDER WEALTH AND DIRECTORS AND EXECUTIVES' REMUNERATION

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

Financial Year	Profit/(loss) after tax \$	Earnings/(loss) per share (cents)	Share Price (cents)
30 June 2015	(6,712,800)	(2.91)	11.0
30 June 2016	(3,978,324)	(1.49)	6.6
30 June 2017	(11,954,682)	(3.83)	3.4
30 June 2018	173,299	0.05	3.0
30 June 2019	(3,197,797)	(0.97)	1.7

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

Key Management Personnel (**KMP**) remuneration for the years ended 30 June 2019 and 30 June 2018:

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

- (i) Mr Antony Sage is entitled to a fee of \$120,000 per annum. The Company has entered into a consulting agreement with Okewood Pty Ltd (**Okewood**), a company controlled by Mr Antony Sage, for the provision of these services. Mr Sage resigned as Non-Executive Chairman on the 22 November 2018.
- (ii) Mr Jess Oram is an employee of Cauldron. Effective 1 January 2018, upon his appointment as Chief Executive Officer and Executive Director of the Company, Mr Jess Oram is entitled to \$213,000 plus superannuation. In addition, Mr Jess Oram is entitled to a bonus of up to \$26,100 (inclusive of superannuation) subject to achieving either:
- KPI 1 and KPI 2 and KPI 3; or
 - KPI 4,
whereby, KPIs are defined as follows:
KPI 1: Secure title to the core exploration ground at Bennet Well
KPI 2: Complete either of the following:
 - Secure an exploration project, that may or may not be offshore; or
 - Commence the FLT at Bennet Well, and raising of funding
 - KPI 3: Reduce cost of non-core projects
 - KPI 4: WAP of CXU shares traded on ASX over 10 days being equal to or exceeding \$0.20.
- The performance-based remuneration bonus was not achieved in the year ended 30 June 2019.

A portion of Mr Oram's salary amounting to \$2,004 was recharged to related entity Fe Limited during the year (2018: \$40,671).

- (iii) In his capacity as Non-Executive Director, Mr Qiu Derong is entitled to a fee of \$36,000 per annum. The Company has entered into a consulting agreement for the provision of these services. Amounts included in this table represent accrued fees.
- (iv) In her capacity as Non-Executive Director, Ms Judy Li is entitled to a fee of \$36,000 per annum. The Company has entered into a consulting agreement for the provision of these services.
- (v) In his capacity as Non-Executive Director, Mr Nicholas Sage is entitled to a fee of \$36,000 per annum. The Company has entered into a consulting agreement with Pembury Nominees Pty Ltd (**Pembury**), a company controlled by Mr Nicholas Sage, for the provision of these services. Mr Nicholas Sage resigned as Non-Executive Director on 25 February 2019.

CAULDRON ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

- (vi) In his capacity as Non-Executive Director, Mr Chenchong Zhou is entitled to a fee of \$36,000 per annum from the date of his appointment 2 May 2017. A consulting agreement for the provision of services is yet to be executed. Amounts included in this table represent accrued fees.
- (vii) In his capacity as Non-Executive Chairman, Mr Simon Youds is entitled to a fee of \$48,000 per annum from the date of his appointment 15 March 2019. The Company has entered into a consulting agreement with Youds Mining Consulting Pty Ltd (**Youds**), a company controlled by Mr Simon Youds, for the provision of these services.

30 JUNE 2018	SHORT-TERM BENEFITS		LONG-TERM BENEFITS	POST EMPLOYMENT		SHARE BASED PAYMENTS	TOTAL	Remuneration performance based
	Salary, Fees & Leave (\$)	Other (\$)	Long Service Leave (\$)	Super-annuation (\$)	Retirement Benefits (\$)	\$	\$	%
Directors								
Antony Sage (i)	180,000	-	-	-	-	-	180,000	-
Jess Oram (ii)	203,000	-	-	19,285	-	-	222,285	-
Qiu Derong (iii)	36,000	-	-	-	-	-	36,000	-
Judy Li (iv)	36,000	-	-	-	-	-	36,000	-
Nicholas Sage (v)	36,000	-	-	-	-	-	36,000	-
Chenchong Zhou (vi)	36,000	-	-	-	-	-	36,000	-
Other KMP								
Catherine Grant-Edwards (vii)	83,634	-	-	6,333	-	-	89,967	-
TOTAL	610,634	-	-	25,618	-	-	636,252	-

- (i) In his capacity as Executive Chairman, Mr Antony Sage was previously entitled to a fee of \$240,000 per annum. Effective 1 January 2018, upon transition to his role as Non-Executive Chairman, Mr Antony Sage is entitled to a fee of \$120,000 per annum. The Company has entered into a consulting agreement with Okewood Pty Ltd (**Okewood**), a company controlled by Mr Antony Sage, for the provision of these services.
- (ii) Mr Jess Oram is an employee of Cauldron. In his capacity as Exploration Manager until 31 December 2017, Mr Jess Oram was entitled to \$193,000 per annum plus superannuation. Effective 1 January 2018, upon his appointment as Chief Executive Officer and Executive Director of the Company, Mr Jess Oram is entitled to \$213,000 plus superannuation. In addition, Mr Jess Oram is entitled to a bonus of up to \$26,100 (inclusive of superannuation) subject to achieving either:
- (a) KPI 1 and KPI 2 and KPI 3; or
 - (b) KPI 4, whereby, KPIs are defined as follows:
 - KPI 1: Secure title to the core exploration ground at Bennet Well
 - KPI 2: Complete either of the following:
 - Secure an exploration project, that may or may not be offshore; or
 - Commence the FLT at Bennet Well, and raising of funding
 - (c) KPI 3: Reduce cost of non-core projects
 - (d) KPI 4: WAP of CXU shares traded on ASX over 10 days being equal to or exceeding \$0.20.
- The performance-based remuneration bonus was not achieved in the year ended 30 June 2018.

A portion of Mr Oram's salary amounting to \$40,671 was recharged to related entity Fe Limited during the year (2018: \$2,087). A portion of Mr Oram's salary amounting to \$4,058 was recharged to related entity Cape Lambert Resources Ltd during the year (2017: nil).

- (iii) In his capacity as Non-Executive Director, Mr Qiu Derong is entitled to a fee of \$36,000 per annum. The Company has entered into a consulting agreement for the provision of these services. Amounts included in this table represent accrued fees.
- (iv) In her capacity as Non-Executive Director, Ms Judy Li is entitled to a fee of \$36,000 per annum. The Company has entered into a consulting agreement for the provision of these services.
- (v) In his capacity as Non-Executive Director, Mr Nicholas Sage is entitled to a fee of \$36,000 per annum from date of his appointment 20 February 2017. The Company has entered into a consulting agreement with Pembury Nominees Pty Ltd (**Pembury**), a company controlled by Mr Nicholas Sage, for the provision of these services.
- (vi) In his capacity as Non-Executive Director, Mr Chenchong Zhou is entitled to a fee of \$36,000 per annum from the date of his appointment 2 May 2017. A consulting agreement for the provision of services is yet to be executed. Amounts included in this table represent accrued fees.
- (vii) Ms Catherine Grant-Edwards was an employee and disclosed as a KMP of the Company until 31 October 2017. Since 1 November 2017, Bellatrix Corporate Pty Ltd (**Bellatrix**) has been engaged via a consultancy agreement to provide company secretarial and accounting services. Ms Grant-Edwards is a director of Bellatrix.

CAULDRON ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

ADDITIONAL DISCLOSURE RELATING TO OPTION HOLDINGS AND SHARE HOLDINGS

OPTION HOLDINGS OF KEY MANAGEMENT PERSONNEL

There were no options held by key management personnel during the year ended 30 June 2019.

VALUE OF OPTIONS AWARDED, EXERCISED AND LAPSED DURING THE YEAR

There were no remuneration options granted, exercised or lapsed during the year ended 30 June 2019 (30 June 2018: nil).

SHARES ISSUED ON EXERCISE OF OPTIONS

There were no options exercised during the year ended 30 June 2019 (30 June 2018: nil).

SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL

30 JUNE 2019

	Balance 1 July 2018	Issued	Received on exercise of options	Net Change Other	Balance 30 June 2019
Directors					
Antony Sage (i)	5,894,600	-	-	-	5,894,600
Qiu Derong	47,544,710	-	-	-	47,544,710
Simon Youds	-	4,172,864	-	-	4,172,864
	53,439,310	4,172,864	-	-	57,612,174

(i) Upon cessation as a Non-Executive Director of the Company, Mr Antony Sage held 5,894,600 shares.

30 JUNE 2018

	Balance 1 July 2017	Issued	Received on exercise of options	Net Change Other	Balance 30 June 2018
Directors					
Antony Sage	5,894,600	-	-	-	5,894,600
Qiu Derong	47,544,710	-	-	-	47,544,710
Other KMP					
Catherine Grant-Edwards (i)	8,888	-	-	(8,888)	-
	53,448,198	-	-	(8,888)	53,439,310

(i) Upon cessation as an employee of the Company, Ms Grant-Edwards held 8,888 shares.

LOANS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

There were no loans made to Cauldron Energy Limited by directors and entities related to them during the year ended 30 June 2019 or 30 June 2018.

CAULDRON ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

OTHER TRANSACTIONS AND BALANCES WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

Details and terms and conditions of other transactions with key management personnel and their related parties (other than payments to directors as remuneration disclosed above):

		Services to related parties	Purchases from related parties	Amounts owed by related parties ⁽¹⁾	Amounts owed to related parties ⁽¹⁾
<i>Director related entities</i>					
Fe Limited ⁽²⁾	2019	2,004	-	42,674	-
Fe Limited	2018	40,671	-	40,671	-
Cape Lambert Resources Limited	2019	-	69,828	-	5,005
Cape Lambert Resources Limited	2018	4,058	188,179	-	13,176
Okewood Pty Ltd	2019	-	-	-	-
Okewood Pty Ltd	2018	-	32,821	-	-

(1) Amounts are classified as trade receivables and trade payables, respectively.

(2) Amount owed by Fe Limited of \$42,674 has been impaired as at 30 June 2019 refer Note 7 to the financial statements.

Mr Antony Sage is a director of Cape Lambert Resources Limited and Okewood Pty Ltd. Messrs Antony Sage and Nicholas Sage are directors of Fe Limited.

End of Audited Remuneration 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
Non-Executive Director
27 September 2019

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF CAULDRON ENERGY LIMITED

As lead auditor of Cauldron Energy Limited for the year ended 30 June 2019, 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.



Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth, 27 September 2019

CAULDRON ENERGY LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Continuing Operations			
Revenue	3 (a)	11,231	23,733
Other Income	3 (b)	-	701,552
Administration expenses		(49,386)	(67,930)
Employee benefits expenses		(273,993)	(339,081)
Directors fees		(203,500)	(311,806)
Compliance and regulatory expenses		(123,010)	(151,984)
Consultancy expenses		(278,038)	(281,583)
Legal fees		(171,975)	(121,388)
Occupancy expenses		(66,028)	(133,725)
Travel expenses		(10,268)	(72,155)
Exploration expenditure		(176,924)	(142,339)
Net fair value gain/(loss) on financial assets	8	(1,432,647)	1,294,355
Depreciation and amortisation		(2,281)	(8,420)
Realised foreign exchange loss		(1,683)	(179)
Impairment losses	4	(419,296)	(215,751)
(Loss)/profit for the year before income tax		(3,197,797)	173,299
Income tax expense	5	-	-
(Loss)/profit for the year from continuing operations attributable to members of the Company		(3,197,797)	173,299
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		(30,888)	(67,060)
Total comprehensive (loss)/profit for the year attributable to members of the Company		(3,228,685)	106,239
(Loss)/profit per share			
Basic (loss)/profit per share (cents per share)	17	(0.97)	0.05
Diluted (loss)/profit per share (cents per share)	17	(0.97)	0.05

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

CAULDRON ENERGY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	526,681	1,950,436
Trade and other receivables	7	29,105	418,188
Financial assets at fair value through profit or loss	8	1,282,895	2,715,310
Total current assets		1,838,681	5,083,934
Non-current assets			
Exploration and evaluation	10	-	-
Plant and equipment	11	9,018	3,391
Total non-current assets		9,018	3,391
Total assets		1,847,699	5,087,325
LIABILITIES			
Current liabilities			
Trade and other payables	12	625,913	654,361
Employee entitlements	13	69,029	51,522
Total current liabilities		694,942	705,883
Total liabilities		694,942	705,883
Net assets		1,152,757	4,381,442
Equity			
Issued capital	14	55,675,919	55,675,919
Reserves	15	4,191,999	4,222,887
Accumulated losses	16	(58,715,161)	(55,517,364)
Total equity		1,152,757	4,381,442

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

CAULDRON ENERGY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Cash flows from operating activities			
Payments to suppliers and employees		(878,786)	(1,452,786)
Interest received		11,231	23,733
Interest paid		(34)	-
Net cash flows used in operating activities	21 (a)	(867,589)	(1,429,053)
Cash flows from investing activities			
Purchase of plant and equipment	11	(7,908)	-
Payments for exploration and evaluation		(548,258)	(617,735)
Funding provided to Caudillo Resources SA		-	(26,930)
Proceeds from sales of equity investments		-	904,178
Acquisition of equity investments		-	(172,641)
Net cash flows (used in)/from investing activities		(556,166)	86,872
Net decrease in cash and cash equivalents		(1,423,755)	(1,342,181)
Effects of exchange rate changes on cash		-	(2,189)
Cash and cash equivalents at beginning of period		1,950,436	3,294,806
Cash and cash equivalents at end of period	6	526,681	1,950,436

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

CAULDRON ENERGY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Issued Capital	Accumulated Losses	Share Based Payment Reserve	Foreign Currency Translation Reserve	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2018	55,675,919	(55,517,364)	5,808,480	(1,585,593)	4,381,442
Loss attributable to members of the parent entity	-	(3,197,797)	-	-	(3,197,797)
Other comprehensive loss	-	-	-	(30,888)	(30,888)
Total comprehensive loss for the year	-	(3,197,797)	-	(30,888)	(3,197,797)
Transactions with owners in their capacity as owners					
Shares issued during the period, net of costs	-	-	-	-	-
Balance at 30 June 2019	55,675,919	(58,715,161)	5,808,480	(1,616,481)	1,152,757
Balance at 1 July 2017	55,675,919	(55,690,663)	5,808,480	(1,518,533)	4,275,203
Profit attributable to members of the parent entity	-	173,299	-	-	173,299
Other comprehensive loss	-	-	-	(67,060)	(67,060)
Total comprehensive profit for the year	-	173,299	-	(67,060)	106,239
Transactions with owners in their capacity as owners					
Shares issued during the period, net of costs	-	-	-	-	-
Balance at 30 June 2018	55,675,919	(55,517,364)	5,808,480	(1,585,593)	4,381,442

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

CAULDRON ENERGY LIMITED
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FOR THE YEAR ENDED 30 JUNE 2019

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CAULDRON ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The financial report covers Cauldron Energy Limited ("Cauldron") and its controlled entities ("the Consolidated Entity") for the year ended 30 June 2019 and was authorised for issue in accordance with a resolution of the directors on 27 September 2019.

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

The following relevant standards and interpretations have been applied for the first time for the year ended 30 June 2019:

AASB 15 Revenue from Contracts with Customers

The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The adoption of AASB 15 did not have a material impact on the financial statements.

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 consolidated entity for the annual reporting period ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of

CAULDRON ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019 and its impact on adoption is not expected to be material on the financial statements given the short-term nature of its lease agreements.

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 20 to the financial statements.

All inter-group balances and transactions between entities in the Consolidated Entity, 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.

Joint operations

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

Joint ventures

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

CAULDRON ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

e. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Consolidated Entity'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 Consolidated Entity'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 Consolidated Entity's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

f. Goods and Services Tax

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

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

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

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

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.

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

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

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

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

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

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

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

Tax consolidation

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

h. Cash and Cash Equivalents

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

i. Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

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Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity 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 consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity 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 consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

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

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

j. Property, Plant and Equipment

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

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

The depreciation rates used for each class of depreciable assets for the 30 June 2019 year are:

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

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

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k. Exploration and Evaluation Expenditure

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

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

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

l. Impairment of Non-Financial Assets

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

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

m. R&D Tax Incentive

Refundable tax incentives are accounted for as government grants under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance* because the directors consider this policy to provide more relevant information to meet the economic decision-making needs of users, and to make the financial statements more reliable. The Consolidated Entity 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 Consolidated Entity during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

o. Revenue Recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: 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

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

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

Provision for restoration and rehabilitation

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

Employee leave benefits

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

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 Consolidated Entity'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.

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s. Critical accounting judgements, estimates and assumptions

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

Exploration and evaluation costs

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

Environmental Issues

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

Income taxes

The Consolidated Entity 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 Consolidated Entity estimates its tax liabilities based on the Consolidated Entity'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 Consolidated Entity 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.

t. Comparative Figures

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

u. 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."

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v. 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 2019, the Group had cash and cash equivalents of \$526,681 and had net working capital of \$1,143,739. The Group incurred a loss for the year ended 30 June 2019 of \$3,197,797 (30 June 2018: \$173,299 profit) and net cash outflows used in operating activities and investing activities totalling \$1,423,755 (30 June 2018: \$1,342,181).

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

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

- the Company has the ability to raise funds through equity issues;
- the Directors have embarked on a strategy to reduce its corporate costs;
- the Group holds a portfolio of investments valued at \$1,282,895 at 30 June 2019, which may be sold to fund ongoing cash requirements of the Company; and
- the Directors are of the opinion that the use of the going concern basis of accounting is appropriate as they are confident in the ability of the Group to be successful in securing additional funds through debt or equity issues as and when the need to raise working capital arises.

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

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2. SEGMENT INFORMATION

The Consolidated Entity 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 Consolidated Entity 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 Consolidated Entity.

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 Consolidated Entity as a whole and are not allocated to specific segments. Segment liabilities include trade and other payables and certain direct borrowings.

Other items

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

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

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Segment Information	Mineral Exploration		Other		Total	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
Revenue						
Interest received	-	-	11,231	23,733	11,231	23,733
Other	-	-	-	93,263	-	93,263
Gain on disposal of financial assets	-	-	-	608,289	-	608,289
Total segment revenue and other income	-	-	11,231	725,285	11,231	725,285
Segment net operating profit/(loss) after tax	(598,500)	(356,417)	(2,599,297)	529,716	(3,197,797)	173,299
Segment net operating profit/(loss) after tax includes the following significant items:						
Net fair value gain/(loss) on financial assets	-	-	(1,434,330)	1,294,355	(1,434,330)	1,294,355
Impairment of loans and receivables	(47,963)	-	-	(10,092)	(47,963)	(10,092)
Impairment of exploration assets	(371,333)	(205,659)	-	-	(371,333)	(205,659)
Depreciation	(2,281)	(8,420)	-	-	(2,281)	(8,420)
Employee benefits expense	-	-	(273,993)	(339,081)	(273,993)	(339,081)
Directors fees	-	-	(203,500)	(311,806)	(203,500)	(311,806)
Consultancy expenses	-	-	(278,038)	(281,583)	(278,038)	(281,583)
Legal fees	-	-	(171,975)	(121,388)	(171,975)	(121,388)
Tenement expenditure	(176,924)	(142,338)	-	-	(176,924)	(142,338)
Other expenses	-	-	(248,691)	(425,974)	(248,691)	(425,974)
Segment assets	9,018	3,392	1,838,681	5,083,933	1,847,699	5,087,325
Segment assets include:						
Financial assets	-	-	1,282,895	2,715,310	1,282,895	2,715,310
Other assets	9,018	3,392	555,786	2,368,623	564,804	2,372,015
	9,018	3,392	1,838,681	5,083,933	1,847,699	5,087,325
Segment liabilities	-	23,335	694,942	682,548	694,942	705,883
Segment information by geographical region						
The analysis of the location of total assets is as follows:						
Australia					1,836,287	5,075,278
Argentina					11,412	12,047
					1,847,699	5,087,325

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	2019	2018
	\$	\$
3. REVENUE AND OTHER INCOME		
(a) Revenue		
Interest received	11,231	23,733
Total revenue	11,231	23,733
(b) Other income		
Gain on disposal of financial assets at fair value through profit or loss	-	608,289
Other	-	93,263
Total other income	-	701,552
4. IMPAIRMENT LOSSES		
Impairment of exploration and evaluation expenditure	371,333	205,659
Impairment of plant and equipment	-	-
Expected credit loss of loans and other receivables	47,963	26,750
Reversal of previously impaired loans and receivables	-	(16,658)
Total impairment losses	419,296	215,751

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	2019 \$	2018 \$
5. INCOME TAX		
(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	(3,197,797)	173,299
Total accounting (loss)/profit before tax	(3,197,797)	173,299
Prima facie income tax (expense)/benefit @ 30.0%	(959,339)	51,990
Tax effect of:		
Non-deductible expenses	105,681	59,641
Tax losses utilised	-	-
Deductible capitalised exploration costs	(111,400)	(152,115)
Realised capital (gain)/loss on investments	-	(182,487)
Unrealised capital (gain)/loss on investments	429,794	(388,306)
Non-assessable non-exempt foreign related expenditure	49,729	85,660
Section 40-880 deduction	(23,220)	(32,337)
Losses and other deferred tax balances not recognised during the period	508,755	557,954
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	20,709	15,457
Other receivables	12,802	-
Other payables	75,792	47,066
Loans receivable	414,101	412,515
Investments	2,115,012	1,720,753
Capital raising costs	3,600	26,819
Tax losses	(2,642,016)	(2,222,610)
Total deferred tax assets	-	-
Deferred tax liabilities		
Exploration	-	-
Total deferred tax liabilities	-	-
Net recognised deferred tax assets/(liabilities)	-	-

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	2019	2018
	\$	\$
6. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	526,681	1,950,436
Cash and cash equivalents	526,681	1,950,436
<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	526,681	1,950,436
Cash held in trust	-	-
Cash for reconciliation of cash flow statement	526,681	1,950,436

7. TRADE AND OTHER RECEIVABLES

CURRENT		
Trade receivables	105,271	129,395
R&D tax incentive receivable	-	316,454
Prepayments	6,553	12,384
Allowance for expected credit losses (2018: Provision for impairment of receivables) (a)	(82,719)	(40,045)
Total current trade and other receivables	29,105	418,188
a) Provision for non-recovery of trade receivables		
Balance at 1 July	(40,045)	(56,703)
Impairment of receivable	(42,674)	-
Recovery of previously impaired receivable	-	16,658
Balance at 30 June	(82,719)	(40,045)

Allowance for expected credit losses

The consolidated entity has recognised a loss of \$nil, in profit or loss in respect of the expected credit losses for the year ended 30 June 2019 for its Trade and Other Receivables.

Credit risk

The Consolidated Entity 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 Consolidated Entity and the counter party to the transaction. Receivables that are past due are assessed for impairment is 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
2019			
Trade receivables	105,271	82,719	22,552
2018			
Trade receivables	129,395	40,045	89,350

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	2019	2018
	\$	\$
8. FINANCIAL ASSETS		
Financial assets at fair value through profit or loss (listed investments)	1,277,635	2,710,281
Financial assets at fair value through profit or loss (unlisted investments)	5,260	5,029
Total financial assets	1,282,895	2,715,310
Movements:		
Opening balance	2,715,310	1,539,175
Acquisition of equity securities (non-cash)	231	5,029
Acquisition of equity securities (cash)	-	172,641
Disposal of equity securities	-	(295,890)
Fair value gain/(loss) through profit or loss	(1,432,646)	1,294,355
Closing balance	1,282,895	2,715,310

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.

9. 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 Consolidated Entity'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 Consolidated Entity 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 Consolidated Entity 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 Consolidated Entity has conservatively provided for the non-recovery of the loans in full. As a result of this, an impairment expense of Nil (30 June 2018: \$4,952) has been recognised in the Statement of Profit or Loss and Other Comprehensive Income.

CAULDRON ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
10. EXPLORATION AND EVALUATION EXPENDITURE		
Exploration and evaluation expenditure	9,588,768	9,217,435
Exploration and evaluation expenditure - provision for impairment	(9,588,768)	(9,217,435)
Net carrying amount exploration and evaluation	-	-
Reconciliation of carrying amounts		
Balance at 1 July	-	-
Exploration expenditure incurred	371,333	522,113
Impairment of exploration expenditure	(371,333)	(205,659)
R&D tax incentive	-	(316,454)
Balance at 30 June	-	-

11. PLANT AND EQUIPMENT		
At cost	42,608	36,973
Accumulated depreciation	(33,590)	(33,582)
Net carrying amount exploration and evaluation	9,018	3,391
Reconciliation of carrying amounts		
Balance at 1 July	3,391	11,884
Additions	7,908	-
Depreciation expense	(2,281)	(8,420)
Foreign exchange movements	-	(73)
Balance at 30 June	9,018	3,391

12. TRADE AND OTHER PAYABLES		
Trade payables	358,443	467,089
Other payables and accruals	267,470	187,272
Total trade and other payables	625,913	654,361

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

13. PROVISIONS		
Current		
Employee benefits	69,029	51,522
Total provisions	69,029	51,522

CAULDRON ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	2019	2018	2019	2018
	No. Shares	No. Shares	\$	\$
14. ISSUED CAPITAL				
Share capital				
Ordinary shares fully paid	329,289,708	329,289,708	55,675,919	55,675,919
Opening balance at 1 July	329,289,708	329,289,708	55,675,919	55,675,919
Ordinary shares issued	-	-	-	-
Share issue costs	-	-	-	-
Closing balance at 30 June	329,289,708	329,289,708	55,675,919	55,675,919

Terms and Conditions

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at shareholder meetings. In the event of winding up of the Consolidated Entity, 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 \$55,675,919 at 30 June 2019 (2018: \$55,675,919). The Consolidated Entity'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 Consolidated Entity'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 Consolidated Entity's capital risk management is to balance the current working capital position against the requirements of the Consolidated Entity to meet exploration programmes and corporate overheads.

	2019	2018
	\$	\$
15. RESERVES		
Reserves		
Share based payment reserve (a)	5,808,481	5,808,481
Foreign currency translation reserve (b)	(1,616,482)	(1,585,594)
Total reserves	4,191,999	4,222,887
(a) Share based payment reserve		
Reserve balance at beginning of year	5,808,481	5,808,481
Reserve balance at end of year	5,808,481	5,808,481
(b) Foreign currency translation reserve		
Reserve balance at beginning of year	(1,585,594)	(1,518,534)
Foreign currency exchange differences arising on translation of foreign operations	(30,888)	(67,060)
Reserve balance at end of year	(1,616,482)	(1,585,594)

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

CAULDRON ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
16. ACCUMULATED LOSSES		
Accumulated Losses	(58,715,162)	(55,517,364)
Accumulated losses at 1 July	(55,517,364)	(55,690,663)
Net (loss)/profit attributable to members	(3,197,797)	173,299
Balance at 30 June	(58,715,161)	(55,517,364)
17. 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	(3,197,797)	173,299
Net loss attributable to ordinary equity holders of the parent for basic earnings	(3,197,797)	173,299
(b) Weighted average number of shares outstanding during the year used in the calculation of:	No.	No.
Basic earnings/(loss) per share	329,289,708	329,289,708
Diluted earnings/(loss) per share	329,289,708	329,289,708
	Cents per share	Cents per share
Basic earnings/(loss) per share		
Continuing operations	(0.97)	0.05
Diluted earnings/(loss) per share		
Continuing operations	(0.97)	0.05

CAULDRON ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

18. COMMITMENTS

Office Rental Commitments

The Consolidated Entity entered into a sub-lease for office premises for a period of 8 years terminating on 31 March 2020. On 15 April 2019 the Consolidated Entity terminated its sub-lease for office premises and as a result there are no office rental commitments as at 30 June 2019.

	2019	2018
	\$	\$
Within one year	-	132,056
Between one and five years	-	99,042
Longer than five years	-	-
Total commitments	-	231,098

19. CONTINGENT ASSETS AND LIABILITIES

The Consolidated Entity has no contingent liabilities or assets at the year end (30 June 2018: nil).

20. CONTROLLED ENTITIES

Details of Cauldron Energy Limited's subsidiaries are:

Name	Country of Incorporation	Date/Company of Incorporation	Shares	Ownership Interest		Investment Carrying Amount	
				2019 %	2018 %	2019 \$	2018 \$
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
Total Investment						14	14

CAULDRON ENERGY LIMITED
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	2019 \$	2018 \$
21. 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	(3,197,797)	173,299
<i>Non-cash items:</i>		
Depreciation	2,281	8,420
Equity settled share based payments	-	-
Net fair value loss/(gain) on financial assets	1,432,647	(1,294,355)
Realised gain on financial assets	-	(608,289)
Impairment losses	419,296	232,409
<i>Change in operating assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	389,082	(55,672)
Increase in trade and other creditors	69,394	122,168
Increase/(decrease) in provisions	17,508	(7,033)
Net cash flows used in operating activities	(867,589)	(1,429,053)
(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	526,681	1,950,436
Cash for reconciliation of cash flow statement	526,681	1,950,436

CAULDRON ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

22. FINANCIAL RISK MANAGEMENT

Financial risk management

The Consolidated Entity'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 Consolidated Entity does not speculate in the trading of derivative instruments.

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

	2019	2018
	\$	\$
Financial assets		
Cash and cash equivalents (note 6)	526,681	1,950,436
Financial assets at fair value through profit or loss (listed investments) (note 8)	1,277,635	2,710,281
Financial assets at fair value through profit or loss (unlisted investments) (note 8)	5,260	5,029
Trade and other receivables (note 7)	29,105	418,188
Total Financial Assets	1,838,681	5,083,934
Financial liabilities		
Trade and other payables (note 12)	625,913	654,361
Total financial liabilities	625,913	654,361

Financial risk management policies

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

The Consolidated Entity'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 Consolidated Entity. The Consolidated Entity 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 Consolidated Entity'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 Consolidated Entity 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 Consolidated Entity's has no significant exposure to foreign currency risk as at the reporting date.

CAULDRON ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

(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 Consolidated Entity to cash flow interest rate risk. The Consolidated Entity 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:

	2019	2018
	\$	\$
Change in loss:		
Increase in interest rate by 200 basis points	10,534	39,009
Decrease in interest rate by 200 basis points	(10,534)	(39,009)

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

(c) Price risk

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

To manage its price risk arising from investments in equity securities, the Consolidated Entity diversifies its portfolio which is done in accordance with the limits set by the Consolidated Entity.

The majority of the Consolidated Entity's equity investments are publicly traded on the ASX.

The table below summarises the impact of increases/decreases of the index on the Consolidated Entity'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% (2018 – 20%) with all other variables held constant and all the Consolidated Entity's equity instruments moved according to the historical correlation with the index.

	Impact on Post-Tax Profit or (Loss)	
	2019	2018
	\$	\$
Index		
ASX listed	255,527	542,056

(d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity 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 consolidated entity does not hold any collateral.

CAULDRON ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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The consolidated entity 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 consolidated entity 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:

	2019	2018
	\$	\$
Financial assets		
Cash and cash equivalents (note 6)	526,681	1,950,436
Trade and other receivables (note 7)	29,105	418,188
Total Financial Assets	555,786	2,368,624

(e) Liquidity risk

The Consolidated Entity 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 2019				
<i>Financial Assets</i>				
Cash and cash equivalents (note 6)	526,681	-	-	526,681
Financial assets at fair value through profit or loss (note 8)	1,282,895	-	-	1,282,895
Receivables and loans (note 7 and 9)	29,105	-	-	29,105
Total financial assets	1,838,681	-	-	1,838,681
<i>Financial liabilities</i>				
Trade and other payables (note 12)	625,913	-	-	625,913
Total financial liabilities	625,913	-	-	625,913
Net maturity	1,212,768	-	-	1,212,768
Year ended 30 June 2018				
<i>Financial Assets</i>				
Cash and cash equivalents (note 6)	1,950,436	-	-	1,950,436
Financial assets at fair value through profit or loss (note 8)	2,715,310	-	-	2,715,310
Receivables and loans (note 7 and 9)	418,188	-	-	418,188
Total financial assets	5,083,934	-	-	5,083,934

CAULDRON ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Maturity analysis	Within 1 Year \$	1 to 5 Years \$	Over 5 Years \$	Total \$
<i>Financial liabilities</i>				
Trade and other payables (note 12)	654,361	-	-	654,361
Total financial liabilities	654,361	-	-	654,361
Net maturity	4,429,573	-	-	4,429,573

(f) Fair value estimation

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

Financial Instruments Measured at Fair Value

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

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Year ended 30 June 2019				
Financial Assets:				
Financial assets at fair value through profit or loss (note 8)	1,282,895	-	-	1,282,895
Year ended 30 June 2018				
Financial Assets:				
Financial assets at fair value through profit or loss (note 8)	2,715,310	-	-	2,715,310

23. OPTIONS OVER UNISSUED SHARES

The following refers to options issued by the Company, other than those issued as share based payment transactions.

Options granted, expired, lapsed or exercised during the year

There were no unlisted options granted or exercised during the year ended 30 June 2019.

During the year ended 30 June 2019, 20 million options having an exercise price of \$0.08 and an expiry of 31 December 2018 lapsed.

Options on issue at 30 June 2019

The outstanding balance of options at 30 June 2019 is Nil (2018: 20,000,000).

CAULDRON ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	2019	2018
	\$	\$
24. PARENT ENTITY DISCLOSURES		
Financial Position		
Assets		
Current assets	544,175	2,356,280
Non-current assets	1,291,913	2,727,586
Total assets	1,836,088	5,083,866
Liabilities		
Current liabilities	692,634	702,424
Total liabilities	692,634	702,424
Equity		
Issued capital	55,675,919	55,675,919
Accumulated loss	(60,340,945)	(57,102,957)
Option premium reserve	5,808,480	5,808,480
Total equity	1,143,454	4,381,442
Financial Performance		
(Loss)/profit of parent entity	(3,197,797)	173,299
Total comprehensive (loss)/profit of the parent entity	(3,228,685)	106,239

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:

	2019	2018
	\$	\$
Subsidiaries		
Ronin Energy Ltd	23,329	23,329
Cauldron Minerals Ltd	8,880,764	8,805,567
Jakaranda Minerals Ltd	1,410,255	1,405,055
Raven Minerals Ltd	25,775	25,775
Total value of loans provided to subsidiaries	10,340,123	10,259,726

Commitments

The commitments of the Parent Entity are consistent with the Consolidated Entity (refer to note 18).

Contingent Liabilities and Assets

The contingent liabilities and assets of the Parent Entity are consistent with the Consolidated Entity (refer to note 19).

CAULDRON ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

25. 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. Details of percentage of ordinary shares held in subsidiaries are disclosed in note 20 to the financial statements.

Note 20 provides information about the Group's structure including the details of the subsidiaries and the holding company. The following table provides the total amount of transactions and outstanding balances that have been entered into with related parties for the relevant year.

Sales and Purchases between Related Parties

		Sales to related parties	Purchases from related parties	Amounts owed by related parties ⁽¹⁾	Amounts owed to related parties ⁽¹⁾
<i>Director related entities</i>					
Fe Limited	2019	2,004	-	42,674	-
Fe Limited	2018	40,671	-	40,671	-
Cape Lambert Resources Limited	2019	-	69,828	-	5,005
Cape Lambert Resources Limited	2018	4,058	188,179	-	13,176
Okewood Pty Ltd	2019	-	-	-	-
Okewood Pty Ltd	2018	-	32,821	-	-

(1) Amounts are classified as trade receivables and trade payables, respectively.

(2) Amount owed by Fe Limited of \$42,674 has been impaired as at 30 June 2019 refer Note 7 to the financial statements.

The amounts paid to Cape Lambert Resources Limited relate to the provision of office facilities to the Company. The Company is in the process of reviewing the commerciality and authorisation of amounts paid and reserves all rights in this regard.

Mr Antony Sage is a director of Cape Lambert Resources Limited and Okewood Pty Ltd. Messrs Antony Sage and Nicholas Sage are directors of Fe Limited.

Sales to and purchases from director related entities are for the reimbursement of employee, consultancy, occupancy costs and other costs.

Loans between Related Parties

There were no loan made to Cauldron Energy Limited by directors and entities related to them during the year ended 30 June 2019 and 30 June 2018.

The ultimate parent

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

Terms and conditions of transactions with related parties other than KMP

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2018: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Financial Assets

At 30 June 2019, Cauldron held 28,153,112 shares in Fe Limited (ASX: FEL) (2018: 28,153,112) with a market value of \$478,603 (2018: \$675,675). Messrs Antony Sage and Nicholas Sage are directors of FEL.

CAULDRON ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

At 30 June 2019, Cauldron held 8,144,910 shares in European Lithium Limited (ASX: EUR) (2018: 8,144,910) with a market value of \$700,462 (2018: \$1,710,431).

At 30 June 2019, Cauldron held 10,416,667 shares in Cape Lambert Resources Ltd (ASX: CFE) (2018: 10,416,667) with a market value of \$93,750 (2018: \$312,500). Mr Antony Sage is a director of CFE.
Significant shareholders

Qiu Derong holds a significant interest of 14.44% in the issued capital of Cauldron Energy at 30 June 2019 (30 June 2018: 14.44%). Mr Qiu Derong is a director of Cauldron.

Cape Lambert, via its wholly owned subsidiary Dempsey Resources Pty Ltd (Dempsey), holds a significant interest of 15.93% (30 June 2018: 15.93%) in the issued capital of Cauldron at 30 June 2019. Mr Antony Sage is a director of Cape Lambert.

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 Consolidated Entity's key management personnel ("KMP") for the year ended 30 June 2019.

	2019 \$	2018 \$
<i>The key management personnel compensation comprised of:</i>		
Short term employment benefits	429,664	494,167
Long term employment benefits	4,343	62,540
Post-employment benefits	20,235	42,196
Total key management personnel remuneration	454,242	598,903

26. REMUNERATION OF AUDITORS

<i>Paid or payable to BDO (WA) Pty Ltd for:</i>		
Audit and review of financial statements	43,214	36,280
Audit of Form 5 tenement expenditure report	-	1,020
<i>Paid or payable to Abelovich, Polano & Asocados S.R.L for:</i>		
Audit of Argentina subsidiary	9,547	9,838
<i>Remuneration of BDO (WA) Pty Ltd for:</i>		
Non-audit services	-	-
Total auditor's remuneration	52,761	47,138

27. 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 Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

CAULDRON ENERGY LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2019

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 19 to 50 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 2019 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 2019 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
27 September 2019

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 2019, the consolidated statement of 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 2019 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 (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 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.

Financial assets held at fair value through profit or loss

Key audit matter	How the matter was addressed in our audit
The Group holds investments in listed and unlisted entities classified as financial assets at fair value through profit or loss, as disclosed in Note 8 to the financial report. In accordance with Australian Accounting Standards, the investments are required to be carried at their fair value at reporting date, and any associated fair value movements reflected in profit or loss. We considered this to be a key audit matter because of the significance of the investment balance, representing 69% of total assets of the Group. Refer to Note 1(i), Note 8 and Note 22 to the financial report for disclosures on the Financial Assets measured at fair value through profit and loss.	Our audit procedures included, but were not limited to the following: • Re-calculating the valuation of the investments held at reporting date based on closing market prices; • Agreeing the closing balance of shares held to supporting documentation; • Re-calculating the unrealised fair value movements on investments held at reporting date; and • Assessing the adequacy of the related disclosures in Note 1(i), Note 8 and Note 22 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 2019, 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 (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.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 14 to 18 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Cauldron Energy Limited, for the year ended 30 June 2019, 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

A handwritten signature in black ink, appearing to be 'P. Murdoch', is written over a horizontal line. Above the signature, the letters 'BDO' are printed in a small, sans-serif font.

Phillip Murdoch

Director

Perth, 27 September 2019

CAULDRON ENERGY LIMITED

ASX ADDITIONAL INFORMATION

FOR THE YEAR ENDED 30 JUNE 2019

Additional information required by ASX Listing Rules and not shown elsewhere in the report is set out below. The information is current as of 16 September 2019.

1. CORPORATE GOVERNANCE

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

2. SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders listed in the Company's register as at 16 September 2019:

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

3. NUMBER OF SHAREHOLDERS AND OPTION HOLDERS

Shares:

As at 16 September 2019 there were 1,355 shareholders holding a total of 329,289,708 fully paid ordinary shares.

Options:

There are nil options remaining on issue.

No options were issued or exercised during the year.

Twenty million (20,000,000) options having an exercise price of \$0.08 and an expiry of 31 December 2018 lapsed during the year.

4. 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.

Restricted Securities:

The Company has no shares on issue subject to escrow.

CAULDRON ENERGY LIMITED
ASX ADDITIONAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

5. DISTRIBUTION OF EQUITY SECURITIES

The distribution of members and their holdings of securities in the Company as at 16 September 2019 were as follows:

Range		Number of shareholders	Fully Paid Ordinary Shares
1	- 1,000	185	83,982
1,001	- 5,000	421	1,102,592
5,001	- 10,000	250	1,996,928
10,001	- 100,000	388	13,746,971
100,001	and over	111	312,359,235
TOTAL		1,355	329,289,708

6. NON-MARKETABLE PARCELS

As at 16 September 2019, there were 1,062 holders (each holding less than 29,412 fully paid ordinary shares) or less than a marketable parcel of ordinary shares.

7. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of ordinary fully paid shares at 16 September 2019 are set out below:

Name	Number of ordinary shares held	% of issued shares
Dempsey Resources Pty Ltd	52,470,036	15.93%
Mr Derong Qiu	47,544,710	14.44%
Joseph Energy (Hong Kong) Limited	41,205,500	12.51%
Starry World Investment Ltd	33,898,318	10.29%
Sky Shiner Investment Ltd	31,400,000	9.54%
Yidi Tao	31,250,000	9.49%
Citicorp Nominees Pty Ltd	10,180,245	3.09%
Mr Antony Sage	5,894,600	1.79%
Capeline Nominees Pty Ltd	4,172,864	1.27%
BNP Paribas Nominees Pty Ltd	3,999,749	1.22%
Lanoti Pty Ltd	3,203,775	0.97%
JP Morgan Nominees Australia	2,824,297	0.86%
Mr Yuanrong Luo	2,726,257	0.83%
Sams Watchmaker Jeweller Pty Ltd	2,600,000	0.79%
M & K Korkidas Pty Ltd	2,499,466	0.76%
Canifare Pty Ltd	2,017,450	0.61%
Mrs Barbara Kay Alessi	1,930,000	0.59%
Mr Alan Brien & Mrs Melinda Brien	1,918,101	0.58%
Nuveen (Shanghai) Asset Management Co Ltd	1,562,500	0.48%
Health Communications Australia Pty Ltd	1,069,967	0.32%
	284,367,835	86.36%

CAULDRON ENERGY LIMITED
ASX ADDITIONAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

8. RESTRICTED SECURITIES

The Company has no restricted securities on issue.

9. 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%
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%