18 October 2023

Dear Eligible Shareholder

**CAULDRON ENERGY LIMITED**
**DESPATCH OF PROSPECTUS & ENTITLEMENT AND ACCEPTANCE FORM**

Cauldron Energy Limited (ASX: CXU) (ACN (102 912 783)) (**Cauldron** or **Company**) hereby advises that a letter has been despatched today for the pro-rata renounceable rights issue of one (1) fully paid ordinary share in the capital of the Company (New **Share**) for every six (6) Shares held by eligible shareholders at 5:00pm (AWST) on Friday, 13 October 2023 at an issue price of $0.009 per Share, together with one (1) free attaching option (exercisable at $0.015, expiring 30 December 2025) for every three (3) Shares subscribed for and issued (**New Option**), to raise up to $1,427,353 (**Offer**), to eligible shareholders in accordance with the Offer timetable (**Prospectus**).

A copy of the letter despatched to Eligible Shareholders is attached.

The Letter includes an Entitlement and Acceptance For outlining eligible shareholders' entitlement under the Offer. The closing date for the Offer is 5:00pm (AWST) on Monday, 30 October 2023 (unless extended).

A letter to ineligible Shareholders notifying them of the Offer and their inability to participate has also been despatched.

Further details of the Offer, including details of how eligible Shareholders may accept the Offer, are set in the letter to Eligible Shareholders which is attached.

If you have any queries concerning the Offer, please contact your financial adviser or Michael Fry, Cauldron's Company Secretary, using the contact details provided below.

*This announcement has been authorised for release by the Company's Chairman Ian Mulholland.*

For further information contact:

**Michael Fry**
Director and Company Secretary
Cauldron Energy Limited
M: +61 417 996 454
E: michael.fry@cauldronenergy.com.au

18 October 2023

Dear Eligible Shareholder

**CAULDRON ENERGY LIMITED**
**PRO-RATA RENOUNCEABLE RIGHTS ISSUE**

On behalf of the Directors of Cauldron Energy Limited (ASX: CXU) (ACN (102 912 783)) (**Cauldron** or **Company**) I am pleased to invite you to participate in the recently announced pro-rata renounceable rights issue of one (1) fully paid ordinary share in the capital of the Company (New **Share**) for every six (6) Shares held at an issue price of $0.009 per Share, together with one (1) free attaching options for every three (3) Shares subscribed for and issued (**New Option**), to raise up to $1,427,353 (**Offer**).

The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 10 October 2023, and issued a revised prospectus which was uploaded on to the Company's Market Announcement Platform on 12 October 2023 which can be accessed at https://www.cauldronenergy.co.au.

The Company intends to apply the funds raised from the Offer (less expenses) to advancing the Company's Yanrey Uranium and Melrose Nickel-Copper-PGE projects, new project opportunities and general working capital. For further specifics of the use of funds please refer to section 3.1 of the Prospectus.

The Offer is fully underwritten by Canaccord Genuity (Australia) Limited (AFSL 234 666) (**Underwriter**). The Company must pay the Underwriter an underwriting fee of 6% of the total amount raised pursuant to the Offer and a corporate advisory fee of $60,000 plus GST for its services in managing the Offer. The Company must also reimburse the Underwriter for costs incidental to the Offer.

Following completion of the Offer, assuming any shortfall is subsequently placed and the full subscription is raised, the Company will have issued approximately 158,594,777 Shares and 105,729,852 New Options resulting in total Shares on issue of 1,132,163,438 and total Options on issue of 365,212,362.

**Participation in Offer**

The Entitlement Offer is being made to all shareholders of the Company named on its register of members at 5:00pm (AWST) on Friday, 13 October 2023, whose registered address is in Australia, New Zealand and Hong Kong (**Eligible Shareholders**).

You have been deemed to be an Eligible Shareholder for the purposes of the Entitlement Offer. The Offer opens on Wednesday, 18 October 2023, and is expected to close at 5:00pm (AWST) on Monday, 30 October 2023 (unless extended) as set out in the Prospectus.

The number of New Shares to which you are entitled to apply for under the Entitlement Offer is shown on your personalised Entitlement and Acceptance Form attached. They are also accessible via: https://advancedshare.com.au/Dashboard/Simple-Login. Please login using the SRN or HIN and Postcode or Country code.

If you wish to participate in the Offer, please follow instructions contained within the Entitlement and Acceptance Form or via the Advanced Share Registry website link provided above.

If you have any queries concerning the Offer, or require a hard copy of the Prospectus, please contact Michael Fry, Cauldron's Company Secretary, on +61 417 996 454 or by email at michael.fry@cauldronenergy.com.au.

Yours sincerely

**Ian Mulholland**
**Non-Executive Director and Chairman**