

27 May 2014

Mauro Piccini  
Senior Advisor, Listings (Perth)  
ASX Compliance Pty Limited  
Level 8, Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

Dear Mauro

**RESPONSE FROM CAULDRON ENERGY LIMITED – ASX PRICE AND VOLUME QUERY**

We refer to your letter dated 27 May 2014 noticing the change of the price of the shares of Cauldron Energy Limited (**Company**) from a closing price of \$0.096 on 29 April 2014 to an intra-day high of \$0.16 cents on 27 May 2014.

In response to your questions we advise as follows:

1. *Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?*

The Company is not aware of any information concerning it that not been announced which, if known, could be an explanation for the recent trading in the securities of the Company during the period from 29 April 2014 to 27 May 2014.

The Company does bring to the market's attention that on 26 May 2014, Resource and Investment Ltd (**ASX: RNI**) announced Copper Gold intersection at its Forrest Prospect within RNI's Grosvenor Project in Western Australia's Bryan Basin. Fe Limited (**ASX: FEL**) has 20% ownership of this project and free carry to decision to mine. The Company has a 7.14% shareholding in FEL.

2. *If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?*

Please refer to the Company's ASX announcement dated 27 May 2014, which highlights the Company's indirect interest in respect of the RNI discovery noted above.

3. *Is there any other explanation that the Company may have for the price and volume change in the securities of the Company?*

The Company has recently made the following ASX announcements:

- Takeover bid by the Company for Energia Minerals Limited closed on 1 May 2014 (lapsed) (refer ASX announcement dated 2 May 2014); and
- The Company's March 2014 quarterly report detailed:
  - o A possible funding strategy;
  - o A significant increase in grade at Bennet Well;
  - o Processing test work indicated 96% extractions possible at Bennet Well, with low reagent cost. (refer ASX announcement dated 30 April 2014).

These recent announcements are likely associated with the increased investor buying activity.


The directors also observe the following:

- The Company's share price has recovered to a level consistent with the share price at or near the end of the 2013 calendar year. During this period, the Company has been seeking to secure funding to continue exploration on some very exciting projects;
- The Company is continuing to de-risk a possible mining operation at Bennet Well and more than likely will have the capital to progress the project; and
- There is a general belief that the market sentiment for uranium is improving, supported by recent positive press.

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

The Company considers that it is in compliance with the listing rules including listing rule 3.1.

Yours faithfully



**Tony Sage**  
**Executive Chairman**  
**Cauldron Energy Ltd**



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27 May 2014

Ms Catherine Grant  
Company Secretary  
Cauldron Energy Limited

*By email: [catherineg@FeLimited.com.au](mailto:catherineg@FeLimited.com.au)*

Dear Catherine

**Cauldron Energy Limited (the "Company")**

#### **PRICE and VOLUME QUERY**

We have noted a change in the price of the Company's securities from a closing price of \$0.096 cents on 29 April 2014 to an intra-day high of \$0.16 cents today.

In light of the price change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price and volume change in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me on email at [mauro.piccini@asx.com.au](mailto:mauro.piccini@asx.com.au) and [tradinghaltsperth@asx.com.au](mailto:tradinghaltsperth@asx.com.au). It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 06:30am (WST) on 28 May 2014.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please do not hesitate to contact me.

Yours sincerely

*[sent electronically without signature]*

Mauro Piccini  
**Senior Adviser, Listings (Perth)**