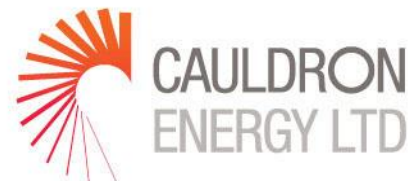


10 June 2014



CAULDRON SECURES \$11M FROM CHINESE INVESTORS

HIGHLIGHTS

- Chinese investors, including existing major shareholders, show further support for Cauldron via A\$11 million placement;
- Funds to be applied to:-
 - Resource definition at the Yanrey Uranium Project in Western Australia; and
 - Commencement of exploration activities at the Marree base metals project in South Australia and the highly prospective Argentinian uranium-copper-silver asset;
- New director appointed to board;
- Additional Chinese director to be appointed to board; and
- General Meeting to approve placement, to be held in July 2014.

A\$11M FUNDING FROM CHINESE INVESTORS

Australian resources company, Cauldron Energy Limited (**ASX: CXU**) ("Cauldron" or "the Company") is pleased to announce it has secured a total of A\$11 million in funding ("Placement Funds") via a series of share placement agreements ("Placement Agreements") with a range of Chinese investors ("Placements").

In accordance with the Placement Agreements, the A\$11 million Placement Funds will be paid to the Company between the period of June 2014 to December 2015, subject to shareholder approval, with the majority being received in the current year. As previously announced, Cauldron conducted a fund raising road show in Beijing in late 2013, which culminated in the execution of a mandate with one of the leading investment companies in China, Shanghai Joseph Limitless Investment ("Joseph Limitless"), to raise funds for the Company. Of the Placement Funds, A\$9 million is attributable to funds raised under this mandate from new investor Guangzhou City Guangrong Investment Management Co., Ltd ("Guangrong Investment") and funds directly from Beijing Joseph Investment Co. Ltd / Joseph Investment International ("Joseph Investment") and Joseph Investment's controlled entity Guangzhou Joseph Investment Co. Ltd ("Guangzhou Joseph").

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ASX code: CXU

178,062,092 shares
12,300,000 unlisted options

Board of Directors

Tony Sage
Executive Chairman

Brett Smith
Executive Director

Qiu Derong
Non-executive Director

Amy Wang
Non-executive Director

Catherine Grant
Company Secretary

"Cauldron has proven it has made a strong strategic alliance with Dr Joseph Chen, the Chairman and Founder of Joseph Investment," said Executive Chairman Tony Sage.

"Cauldron's non-executive director Mr Qiu Derong also continues to support the Company by committing A\$2 million further funding," Mr Sage added.

Under the Placement Agreements the Company plans to issue 93,220,438 new fully paid ordinary shares ("Placement Shares") at an issue price A\$0.118 per share ("Issue Price") to raise A\$11 million. The Issue Price is equal to 80% of the volume weighted average closing price of the shares of the Company as quoted on ASX over the last ten (10) days immediately preceding 29 May 2014.

The amounts subscribed, and parties to the Placement Agreements are:

- A\$5,000,000 from Guangrong Investment;
- A\$2,000,000 from Joseph Investment;
- A\$2,000,000 from Guangzhou Joseph; and
- A\$2,000,000 from Mr Qiu Derong (non-executive director of Cauldron).

The Placement Agreements also include the offer of unlisted options ("Options Offers") exercisable at:

- \$0.118 per option if exercised on or before 31 December 2015; or
- \$0.138 per option if exercised on or before 31 December 2016.

The Unlisted options are to be issued as follows:

- 17 million to Guangzhou Joseph (the placement to Guangzhou Joseph is conditional on Guangzhou being granted these options);
- 20 million to Joseph Investment (the placements to Guangrong Investment and Joseph Investment are conditional on Joseph Investment being granted these options); and
- 8 million to Mr Qiu Derong (the placement to Mr Qiu is conditional on Mr Qiu being granted these options).

The Placement and Option Offers are subject to shareholder approval. The Company plans to hold a General Meeting in July 2014, where shareholder approval will be sought. The Company will issue a Notice of General Meeting in due course once the meeting date has been set.

PROPOSED USE OF FUNDS

Common in the minerals exploration industry in recent times, the development of Cauldron's three major prospects has suffered through under-funding throughout 2013. Management have been required to focus its available funding on Bennet Well (within the wider Yanrey Project in Western Australia) as the premier and most advanced of the Company's developments. The main focus of the Company has been and remains in the fast track development of the burgeoning potential ISR project at Bennet Well.

The Placement Funds will enable the Company to undertake extensive additional exploration activities within the wider Yanrey region, in addition to accelerating the growing Bennet Well resource. Other project areas that will benefit from the funding includes the Company's South Australian Marree base metals project area, for which funding will allow Cauldron to perform geophysical work required to understand the potential of this project. As previously indicated this is intended to lead into drill programs for Mount Freeling, Ooloo and Ooloo south west as well as other anomalies. Until now, access to funding has prevented these works from commencing.

"In addition to rapidly advancing our exciting Western Australian and South Australian projects the Cauldron Board now has the financial resources to progress the Company's prominent and unique position in Argentina. The Company is well positioned in both uranium and base metals in this key nuclear power dependent economy," said Mr Sage.

BOARD CHANGE

The Board is pleased to announce the appointment of Dr Amy Wang as a Non-executive Director of the Company with effect from 9 June 2014.

ADDITIONAL DIRECTOR TO BE APPOINTED

The Company has agreed to appoint an additional Chinese director to the board upon completion of the Placement to Guangrong Investment.

End.

For further information, visit www.cauldronenergy.com.au or contact:

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