

26 June 2014

ASX Release

ASX Code: CXX, CXXO

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**ISSUE OF ORDINARY SHARES AND PROSPECTUS OFFER CLOSED**

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Cradle Resources Ltd (ASX: CXX, CXXO) (Company) confirms that, following the Company's announcement on 24 June 2014, the Company has today issued and allotted 37,537,500 fully paid ordinary shares, comprising 18,000,000 placement shares and 19,537,500 ordinary shares following conversion of 18,750,000 Class A Performance Shares and 787,500 Performance Rights.

The Company also confirms that the offer for 100 fully paid ordinary shares at \$0.20 each, as per the compliance prospectus dated 24 June 2014 (Cleansing Prospectus), closed on 25 June 2014 and the 100 shares have today been issued and allotted. The Cleansing Prospectus was issued for the purpose of facilitating secondary trading following the issue of the Placement shares.

An Appendix 3B is attached.

*By Order of the Board*

For further information, please visit [www.cradleresources.com.au](http://www.cradleresources.com.au) or contact Grant Davey, Managing Director, on telephone +61 8 9389 2000.

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Cradle Resources Limited

ABN

60 149 637 016

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |                                       |
|---|---|---------------------------------------|
| 1 | +Class of +securities issued or to be issued  | Fully Paid Ordinary Shares            |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | 37,537,600 Fully Paid Ordinary Shares |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares            |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>(a) 18,000,100 Fully Paid Ordinary Shares - \$0.20 per share.</p> <p>(b) 18,750,000 Fully Paid Ordinary Shares - nil issue price.</p> <p>(c) 787,500 Fully Paid Ordinary Shares - nil issue price.</p>
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(a) Fully Paid Ordinary Shares - 18,000,000 Ordinary Shares issued by the Company pursuant to a placement to institutional and sophisticated private investors.</p> <p>(b) Fully Paid Ordinary Shares - 100 Ordinary Shares issued by the Company pursuant to the Prospectus dated 24 June 2014.</p> <p>(c) Fully Paid Ordinary Shares - 18,750,000 Ordinary Shares issued by the Company following conversion of the 18,750,000 Class A Performance Shares on satisfaction of the relevant performance milestone.</p> <p>(d) Fully Paid Ordinary Shares - 787,500 Ordinary Shares issued by the Company following conversion of 787,500 Performance Rights on satisfaction of the relevant performance milestone.</p>

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+ See chapter 19 for defined terms.

6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?  If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	29 November 2013
6c	Number of +securities issued without security holder approval under rule 7.1	12,653,502
6d	Number of +securities issued with security holder approval under rule 7.1A	6,134,098
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	18,750,000.  Approved by Shareholders at the Company's General Meeting held on 26 June 2013
6f	Number of +securities issued under an exception in rule 7.2	Not applicable
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes. Issue date of 26 June 2014. 75% of 15 day VWAP is 3.52 based on volumes and closing prices sourced from <a href="http://www.tradingroom.com.au">www.tradingroom.com.au</a>
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	See Annexure 1

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7	+Issue dates	26 June 2014
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Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		72,477,617	Ordinary Shares
		17,947,506	Options ex \$0.2667, exp 24/01/15

9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		56,250,000	Ordinary Shares (escrowed until 1/8/15)
		18,750,000	Class B Performance Shares
		7,687,500	Options ex \$0.2667, exp 31/05/16
		1,837,500	Performance Rights

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable
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**Part 2 - Pro rata issue**

11	Is security holder approval required?	Not applicable
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12	Is the issue renounceable or non-renounceable?	Not applicable
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13	Ratio in which the +securities will be offered	Not applicable
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14	+Class of +securities to which the offer relates	Not applicable
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+ See chapter 19 for defined terms.

15	+Record date to determine entitlements	Not applicable
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Not applicable
18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.</small>	Not applicable
19	Closing date for receipt of acceptances or renunciations	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Not applicable

+ See chapter 19 for defined terms.

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|----|---|----------------|
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | Not applicable |
| 28 | Date rights trading will begin (if applicable)  | Not applicable |
| 29 | Date rights trading will end (if applicable)  | Not applicable |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker?  | Not applicable |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?   | Not applicable |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)?  | Not applicable |
| 33 | <sup>+</sup> Issue date   | Not applicable |

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of <sup>+</sup>securities  
(tick one)
- (a)  <sup>+</sup>Securities described in Part 1
- (b)  All other <sup>+</sup>securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

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<sup>+</sup> See chapter 19 for defined terms.

Tick to indicate you are providing the information or documents

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
 1 - 1,000  
 1,001 - 5,000  
 5,001 - 10,000  
 10,001 - 100,000  
 100,001 and over
- 37  A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

- 38 Number of +securities for which +quotation is sought Not applicable
- 39 +Class of +securities for which quotation is sought Not applicable
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?  
  
 If the additional +securities do not rank equally, please state:  
 • the date from which they do  
 • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment  
 • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- Not applicable

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+ See chapter 19 for defined terms.



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<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	<p>Not applicable</p>
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	Number	+Class
<p>42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)</p>	<p>Not applicable</p>	

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+ See chapter 19 for defined terms.

**Quotation agreement**

- 1        +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.
  
- 2        We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  
  - There is no reason why those +securities should not be granted +quotation.
  
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
  
- 3        We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
  
- 4        We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: ..... Date: 26 June 2014  
Company Secretary

Print name:        SOPHIE RAVEN  
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+ See chapter 19 for defined terms.

## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

#### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	51,500,000 Ordinary Shares (including 9,862,000 Ordinary Shares released from escrow on 16 September 2013)
<b>Add</b> the following: <ul style="list-style-type: none"> <li>• Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	11,050,000 Ordinary Shares (issued on 19 July 2013) 250,000 Ordinary Shares (issued on 23 July 2013) 37,500,000 Ordinary Shares (issued on 23 July 2013) 3,750,000 Ordinary Shares (issued on 25 July 2013) 15,000 Ordinary Shares (issued on 3 February 2014 on exercise of listed CXXO options) 18,750,000 Ordinary Shares (issued on 26 June 2014)
<b>Subtract</b> the number of fully paid ordinary securities cancelled during that 12 month period	12,874,983 Ordinary Shares (reconstruction on 8 July 2013)
<b>“A”</b>	109,940,017

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	16,491,002
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><i>Insert</i> number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable ) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>2,000,000 Listed Options (CXXO) (issued on 15 November 2013)</p> <p>1,837,500 Performance Rights (issued on 15 November 2013)</p> <p>787,500 Ordinary Shares (issued on 26 June 2014 on conversion of Performance Rights)</p> <p>100 Ordinary Shares (issued on 26 June 2014 pursuant to Prospectus issued 24 June 2014)</p> <p>11,865,902 Ordinary Shares (issued on 26 June 2014 pursuant to a private placement)</p>
<b>“C”</b>	16,491,002
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	16,491,002
<p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	16,491,002
<b>Total [“A” x 0.15] – “C”</b>	0

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	109,940,017
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	10,994,001
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <i>Notes:</i> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	6,134,098 Ordinary Shares (issued on 26 June 2014 pursuant to Prospectus issued 24 June 2014)
<b>“E”</b>	6,134,098
<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<b>“A” x 0.10</b>  <i>Note: number must be same as shown in Step 2</i>	10,994,001
<b>Subtract “E”</b>  <i>Note: number must be same as shown in</i>	6,134,098

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<i>Step 3</i>	
<b>Total</b> ["A" x 0.10] – "E"	4,859,903 <i>[Note: this is the remaining placement capacity under rule 7.1A]</i>

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+ See chapter 19 for defined terms.