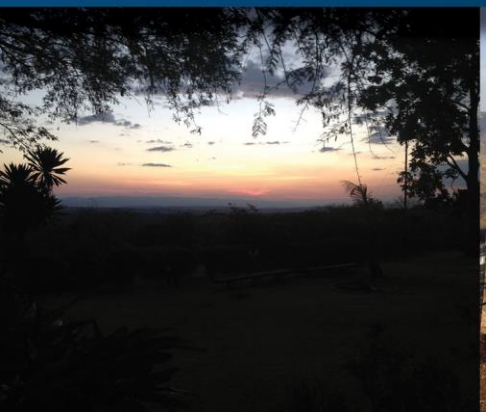
Panda Hill Niobium Project
”The Next Niobium Producer”

Africa Down Under Conference – September 2015



Current Situation

Panda Hill Niobium Project

- Cradle and its joint venture partner own 50% of the Panda Hill niobium project in Tanzania (and exclusive right to acquire remaining 50%)
- Panda Hill has post-tax NPV_{10} of US$420 million[1] (Cradle's 50% share US$210 million)
- Panda Hill is well advanced
  - ESIA and renewal of mining licences to November 2026 complete
  - DFS on track for completion in Q1 2016
  - Decision to mine expected early 2016
- Cradle's construction funding requirement is ~US$50 million
  - Panda Hill equity contribution, expected to be ~US$40 million
  - Pre-production and working capital of ~US$30 million

1. Based on ungeared Management Case. Further details in Section IV

Opportunity Highlights

Cradle presents a standout investment proposition

- **Panda Hill is a strategic, long life asset**
- **Located in Tanzania, a favourable African jurisdiction**
- **Differentiated commodity in niobium with favourable industry dynamics**
- **Low technical risk - simple open-pit mining and processing**
- **Low capex and compelling economics**
- **Attractive entry point for incoming investor(s)**

Strategic Appeal

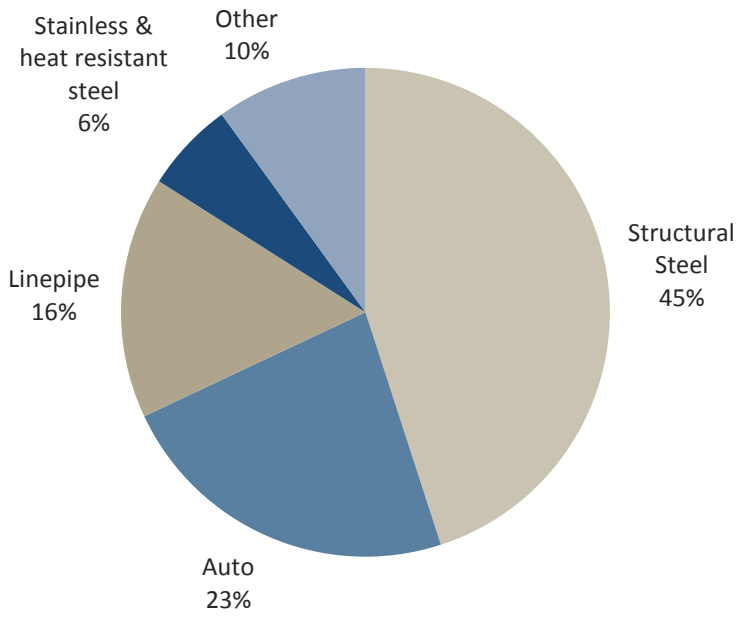
Commercial niobium projects are very rare, strategic and valuable

- Niobium makes stronger, lighter & corrosion resistant steel products - i.e. high-strength low-alloy steels (HLSA)
- Niobium production generates in excess of $800 million in annual operating profits
- Lack of any direct substitutes - Vanadium closest substitute for strength, however only where low temperature toughness is not required
- Low intensity of use in emerging countries, especially China & India, underpins long term demand
- Only 3 major niobium producers world wide (99% of global supply)
- China is the largest consumer globally and has no commercially viable niobium projects
- Limited prospects of new project supply - potential niobium projects often plagued by complex metallurgy and marginal economics - i.e. no new projects have transitioned to mines in last 40 years

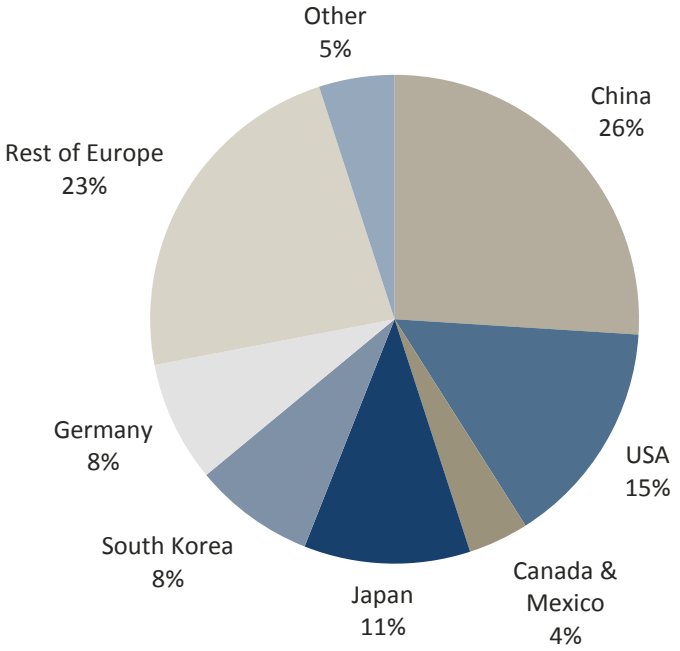
Key End Users

90% of niobium is used for producing high-strength low-alloy steels

Ferroniobium Consumption by Application, 2012



Ferroniobium Consumption by Region/Country, 2012

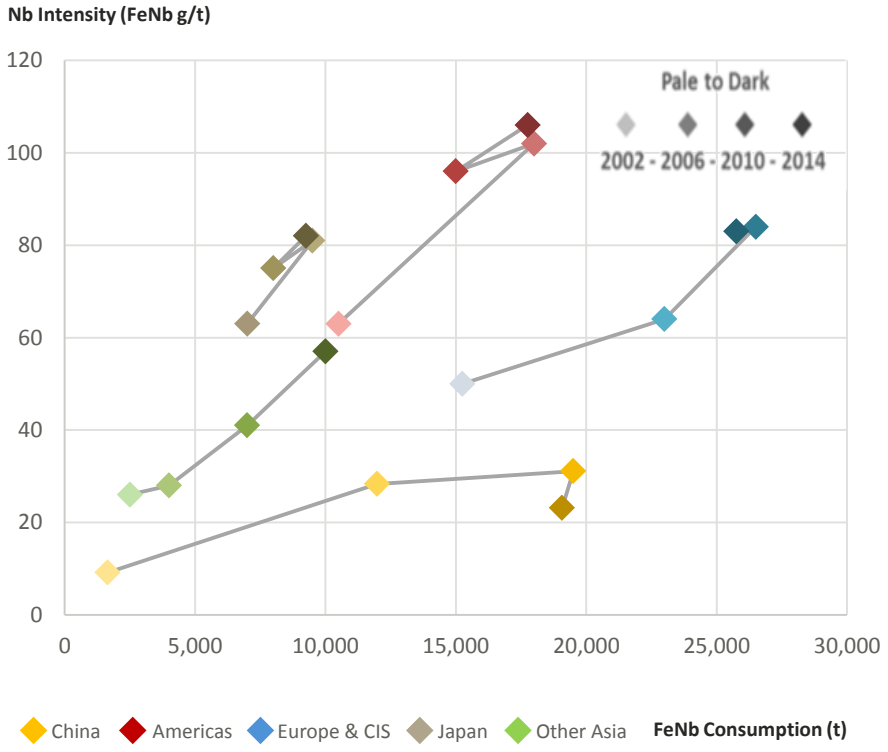


Source: Roskill

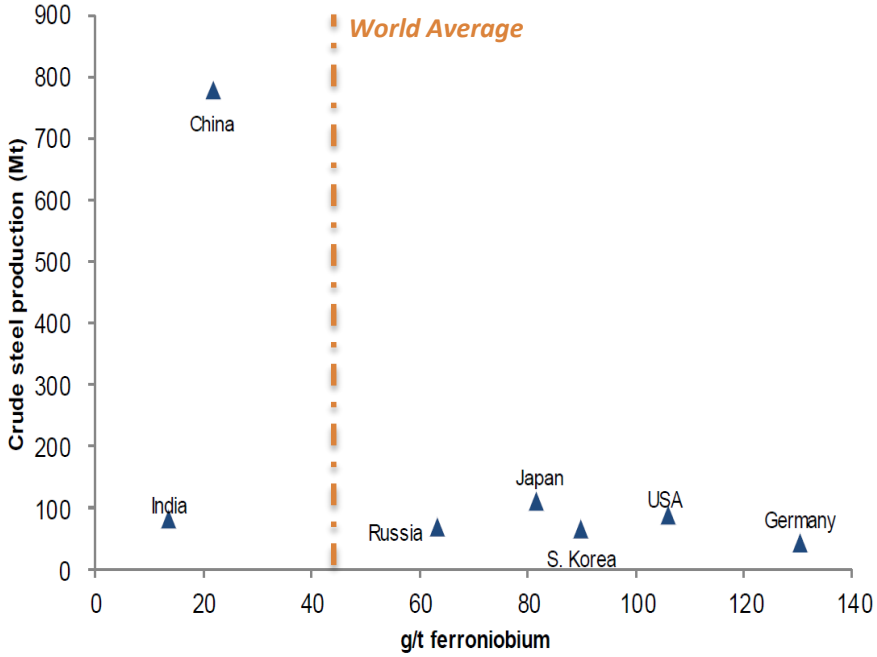
Intensity of Use

Low intensity of use in emerging countries, especially China & India, demonstrates potential for significant uplift in niobium demand

FeNb Intensity of Use vs. FeNb Consumption



Crude Steel Production vs. FeNb Intensity of Use, 2013

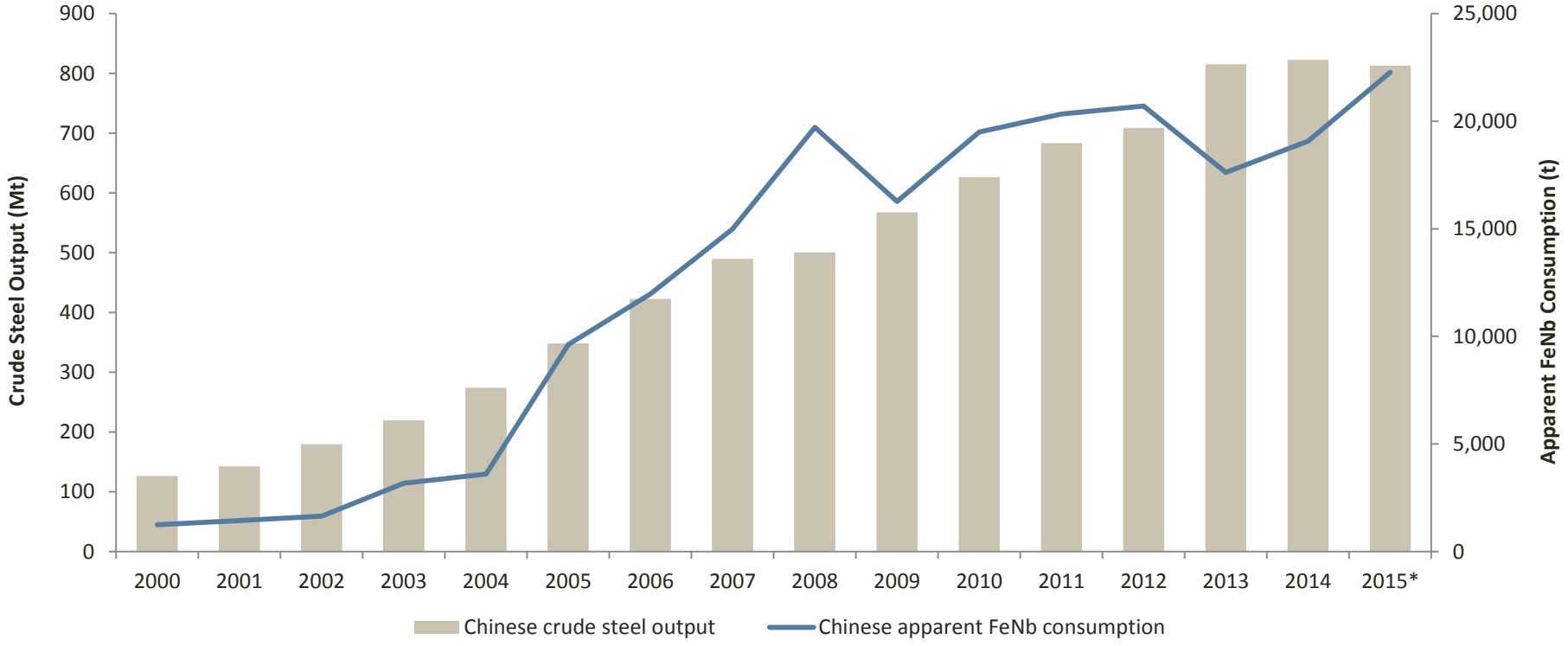


Source: Camet, Roskill

Consumption in China

Despite a slowdown in Chinese steel production, ferroniobium consumption in China grew in excess of 21% in the first five months of 2015

Chinese Crude Steel Output (Mt) vs Chinese Ferroniobium Consumption (t FeNb)



Source: Camet

Global Supply

3 mines dominate global niobium supply (~99%) with Panda Hill set to become the world's 4th niobium mine with minimal supply impact expected (~6%)[1]

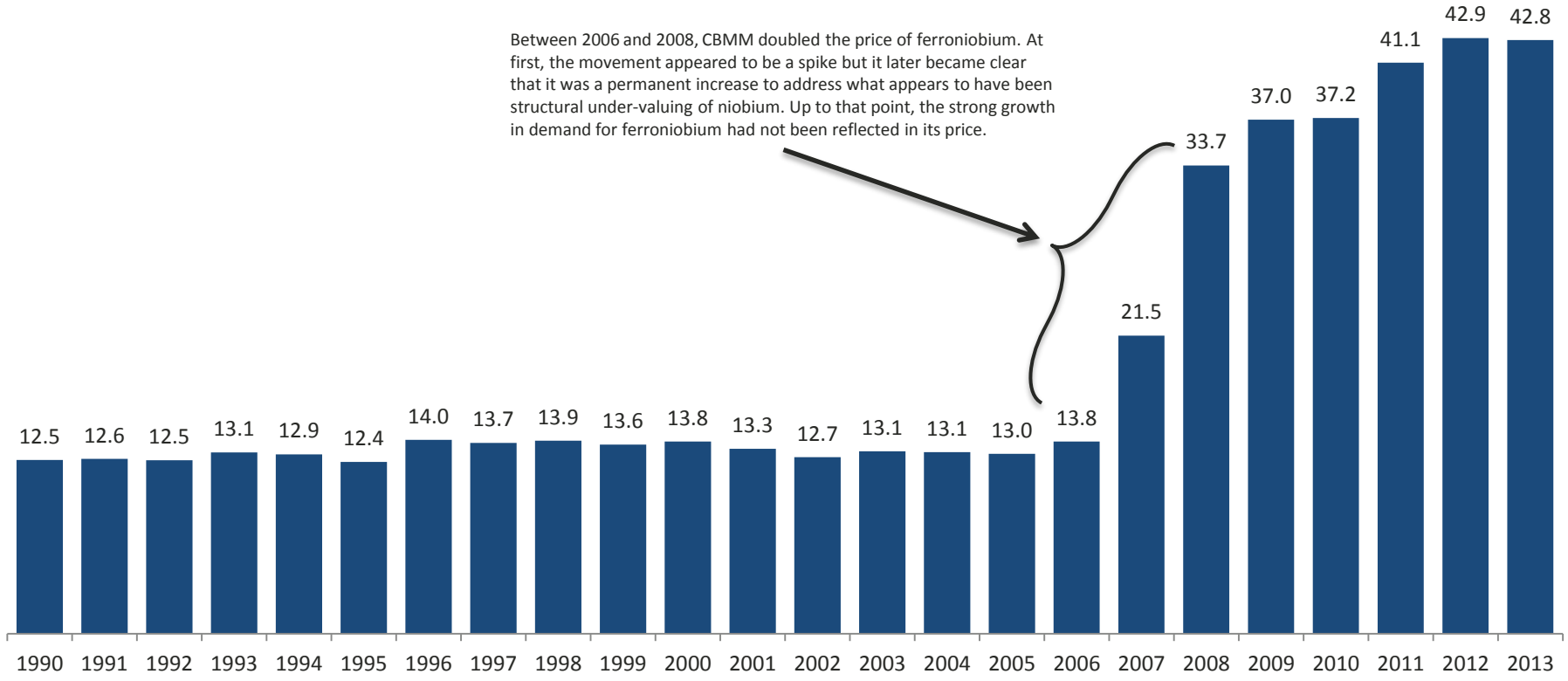
Source: Roskill

1. Based on initial production rate based on throughput of 1.3Mtpa and production of 3ktpa Nb

Stable Pricing

Niobium has a long history of stable prices given long term contracts, increasing underlying demand and supply responsibility

Niobium Price History (US$/kg) (Average annual value of ferroniobium imports)



Source: Roskill

Key Project Attributes

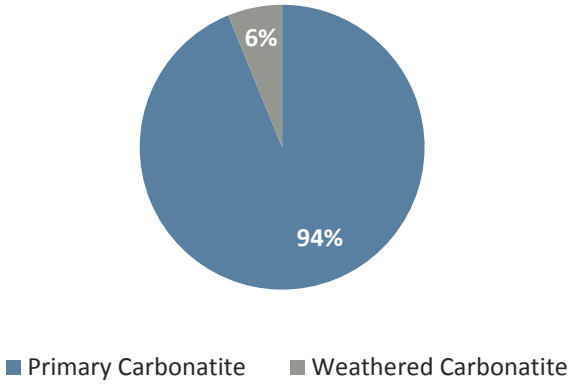
Panda Hill has the key attributes required for a successful niobium project

- Relatively high grade
- Favourable metallurgy
- Simple open-pit mining and non-complex processing
- Favourable jurisdiction
- Excellent access to infrastructure
- Low capex and compelling economics

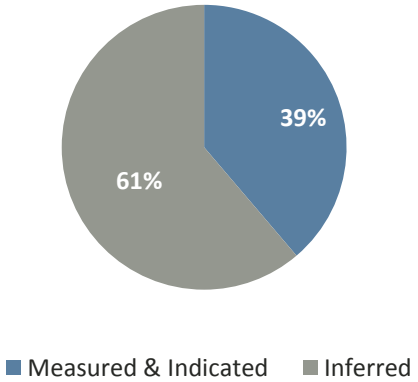
Strong Resource Base

Resource is carbonatite hosted and can support +30 year mine life

Resource Mineralisation (Mt)



Resource Classification

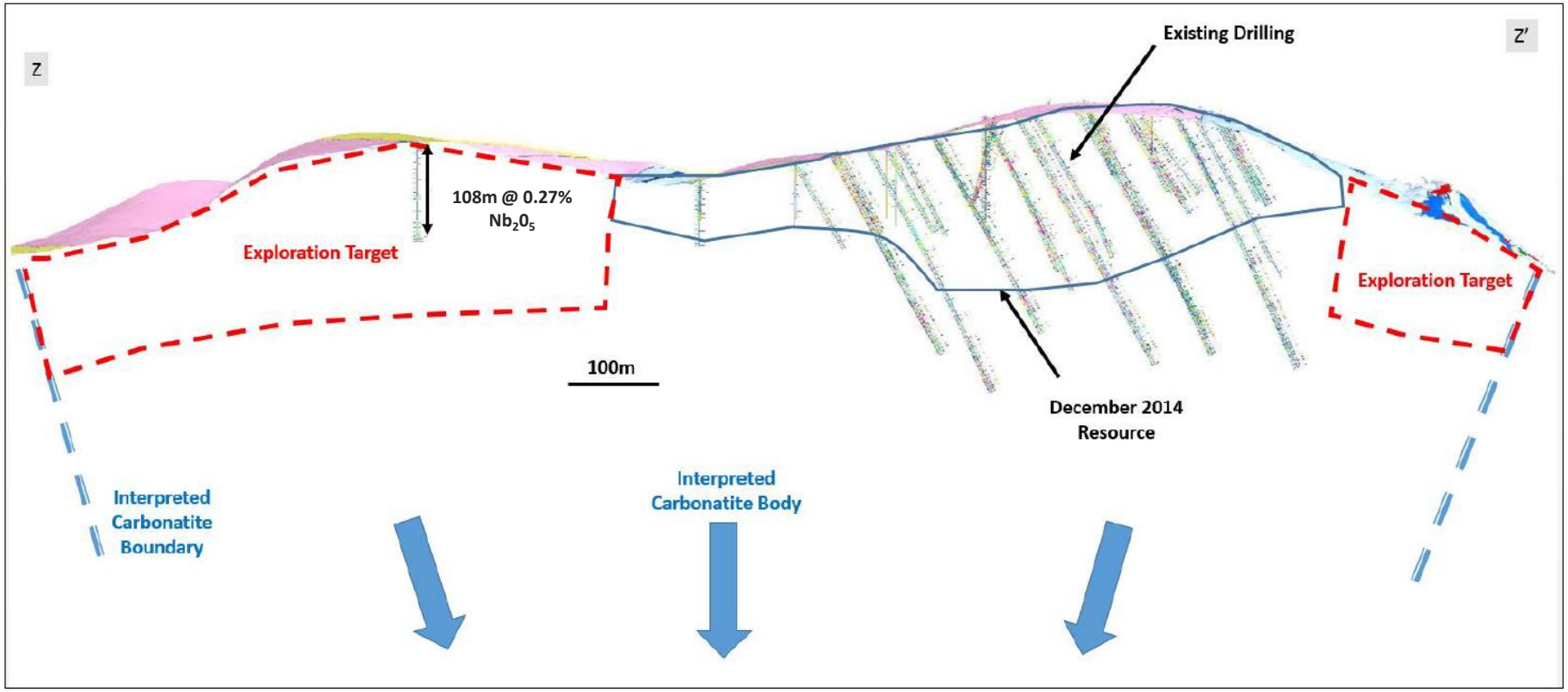


JORC Resource Summary

Primary Carbonatite			
Classification	**Mt**	**Nb_2O_5 %**	**Nb_2O_5 (kt)**
Measured	14	0.62	84
Indicated	50	0.49	247
Inferred	103	0.48	496
Total	**167**	**0.50**	**827**
Weathered Carbonatite			
Classification	**Mt**	**Nb_2O_5 %**	**Nb_2O_5 (kt)**
Measured	2	0.67	15
Indicated	3	0.53	15
Inferred	6	0.52	32
Total	**11**	**0.55**	**63**
Combined			
Classification	**Mt**	**Nb_2O_5 %**	**Nb_2O_5 (kt)**
Measured	16	0.63	99
Indicated	53	0.50	263
Inferred	109	0.48	528
Total	**178**	**0.50**	**891**

Significant Resource Upside

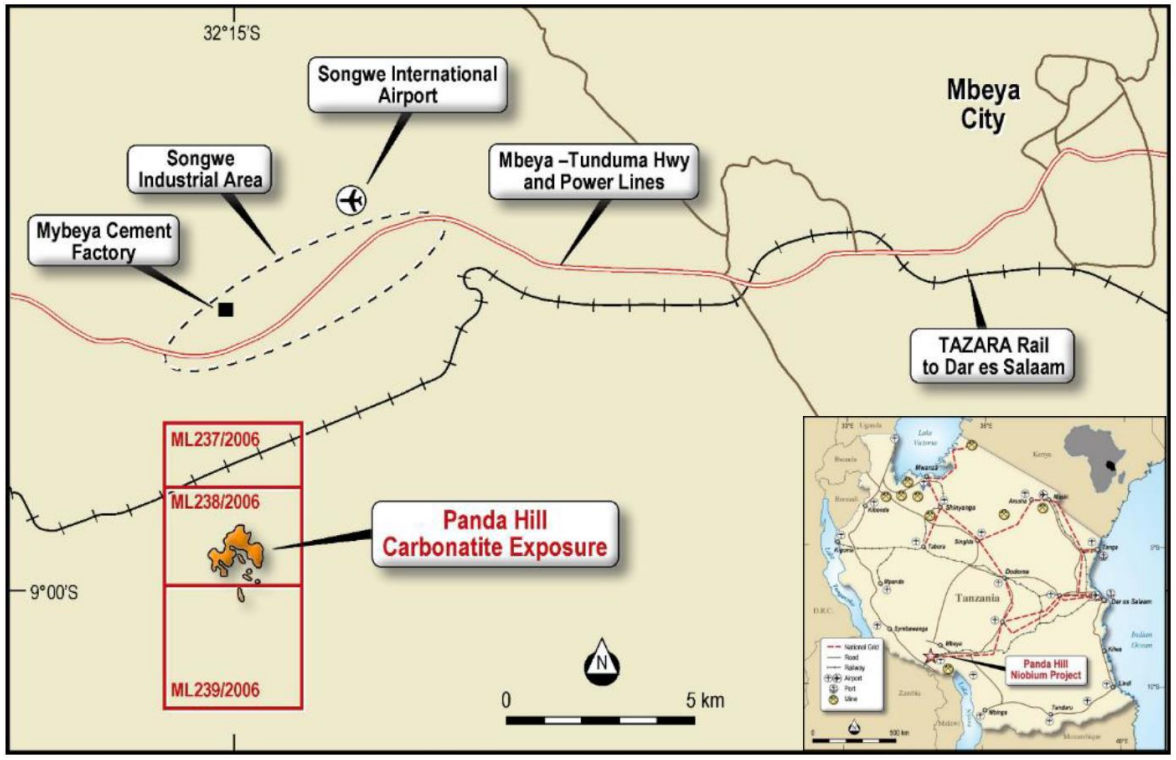
An additional 200Mt to 400Mt of resources are expected - only a third of carbonatite outcrop tested to date and deposit remains open at depth*



**JORC statement: The Exploration Target is conceptual in nature as there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource under the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code" (JORC 2012). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve. Work activities including mapping, chip sampling and drilling are expected to be undertaken in 2015 and 2016.*

Excellent Infrastructure

Well located to key infrastructure (air, road, rail, water & power) which provides valuable advantages, especially in relation to capex efficiency



Robust PFS & DFS Scenario

Post robust PFS in March 2015, DFS being advanced as staged production scenario in order to minimise any supply disruption (i.e. now ~6% global supply vs. ~10%)

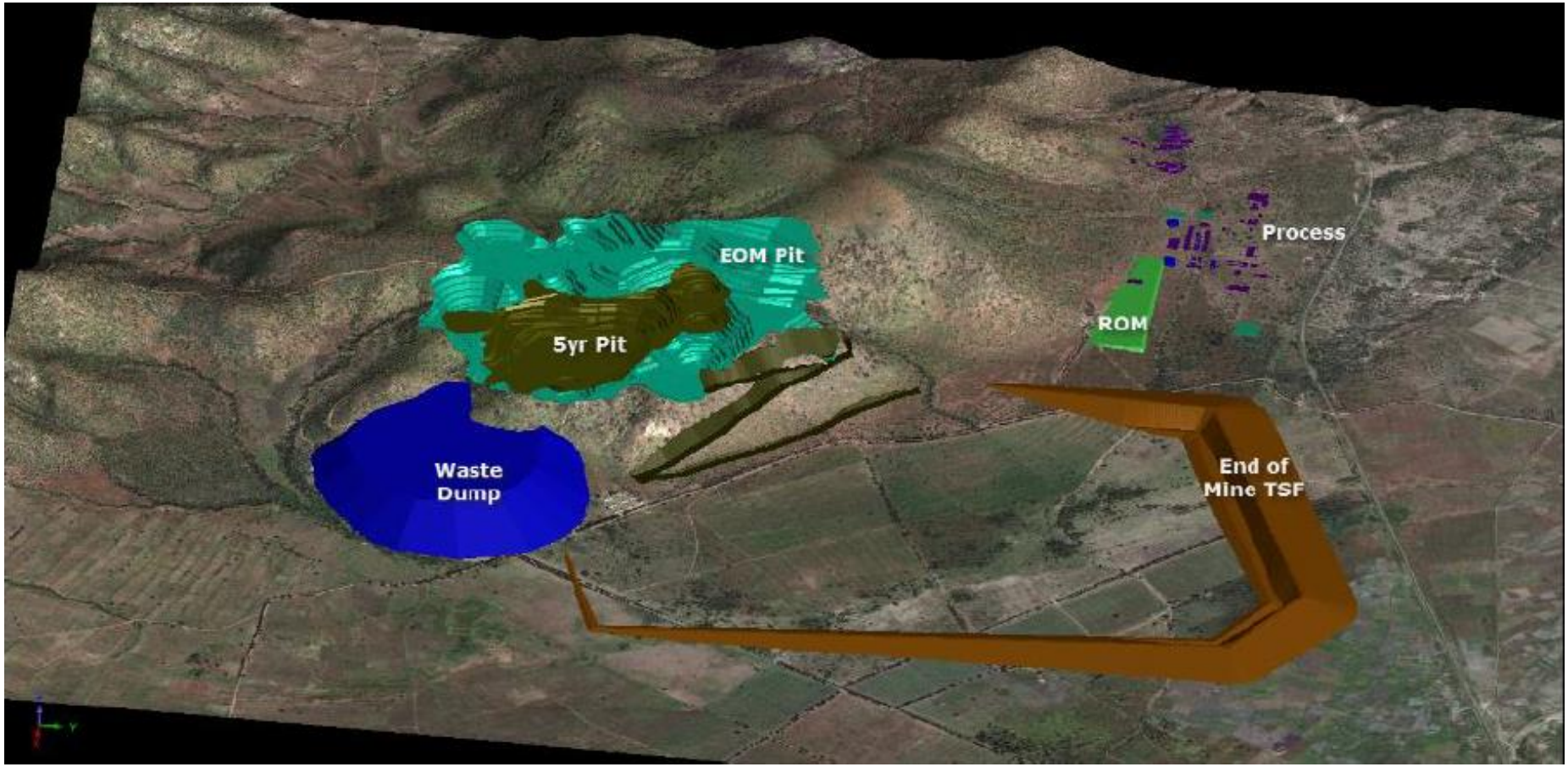
Updated PFS Case vs. Management Case

	Adjusted PFS Case	Management Case
Mining Inventory	60Mt	67Mt
Throughput Capacity	2Mtpa	1.3Mtpa building to 2.6Mtpa in Year 5
Upfront Capital Expenditure	US$195m	US$155m
Mine Life	30 years	30 years
Production (Average LOM)	6,800tpa ferroniobium (4,600tpa Nb)	7,600tpa ferroniobium (5,200tpa Nb)
EBITDA (Average LOM)	US$90m	US$105m
NPV_{10} (post-tax)	US$424m[1]	US$420m
IRR (post-tax)	37.7%[2]	32.4%
Initial Capex Payback Period (post-construction)	2.5 years[2]	4.7 years
Initial Capex Payback Period (start of construction)	4.5 years[2]	6.7 years

1. Adjusted for inclusion of Mine Closure Costs
2. IRR and payback adjusted to start of stage 1 construction. Stage 2 construction will be funded through cashflow and project finance

Project Layout

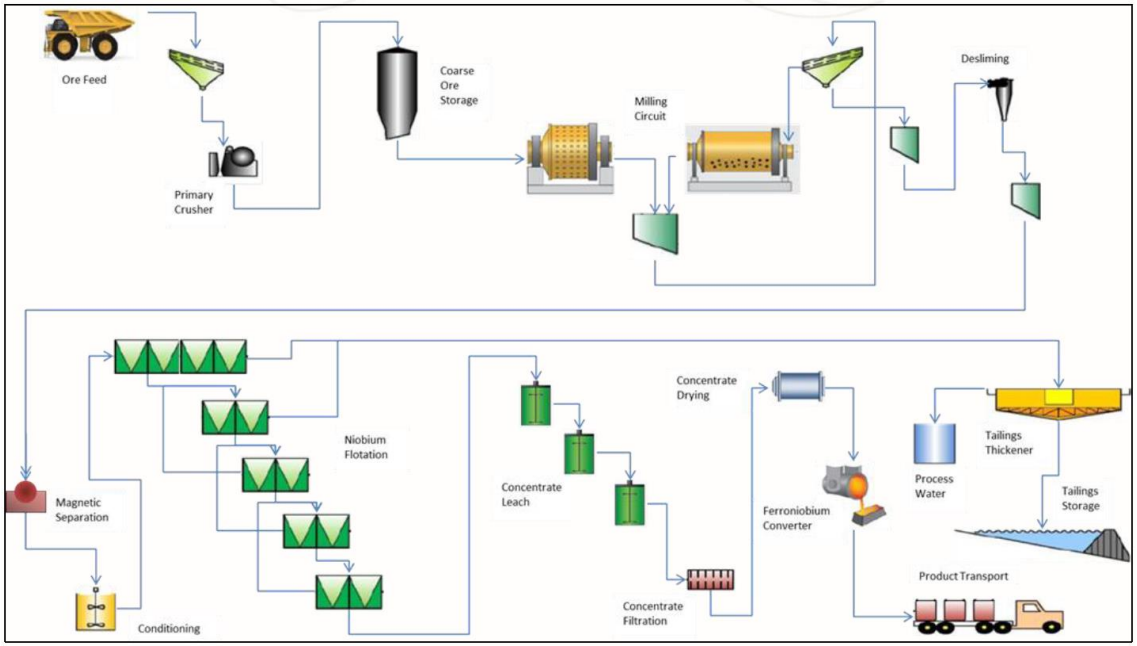
Straightforward layout with footprint of only 3km^2



Non-Complex Processing

Non-complex process able to upgrade the materials to ferroniobium - similar processing method to Niobec mine

Process Flow Sheet



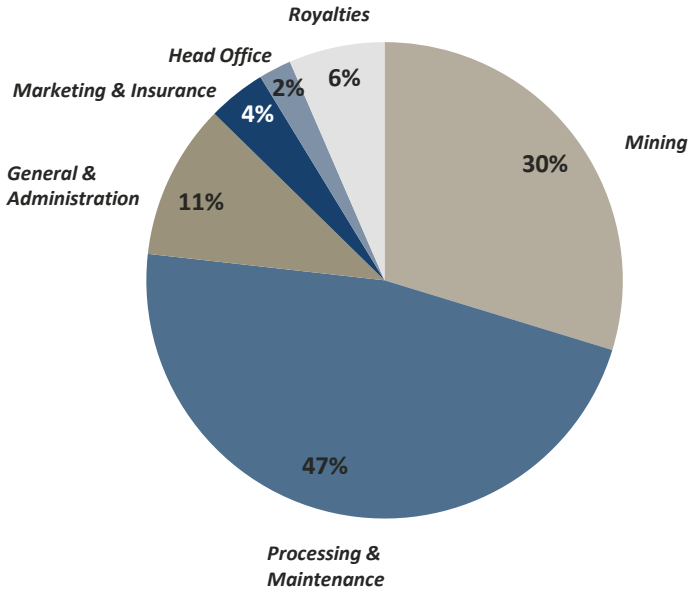
Key Metallurgical Results (Management Case)

	Years 1-10	LOM
% Fresh Carb	40%	50%
Av Feed Grade	0.70% Nb_2O_5	0.54% Nb_2O_5
Av Nb Recovery	61%	62%
Av FeNb Prod	7,900kt	7,400kt

Robust Operating Costs

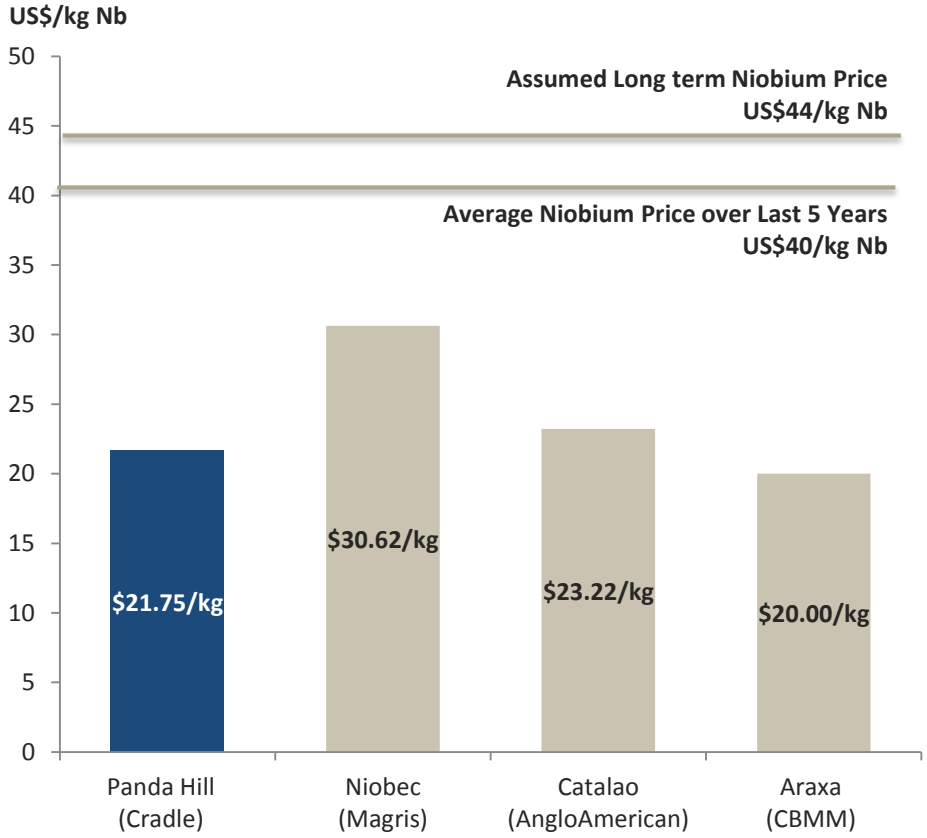
Operating costs are predominately mining & processing and provide a robust margin relative to long term niobium price

LOM All-in Cost Breakdown (Management Case)



US$21.75/kg Nb

All-in Sustaining Costs (Management Case)

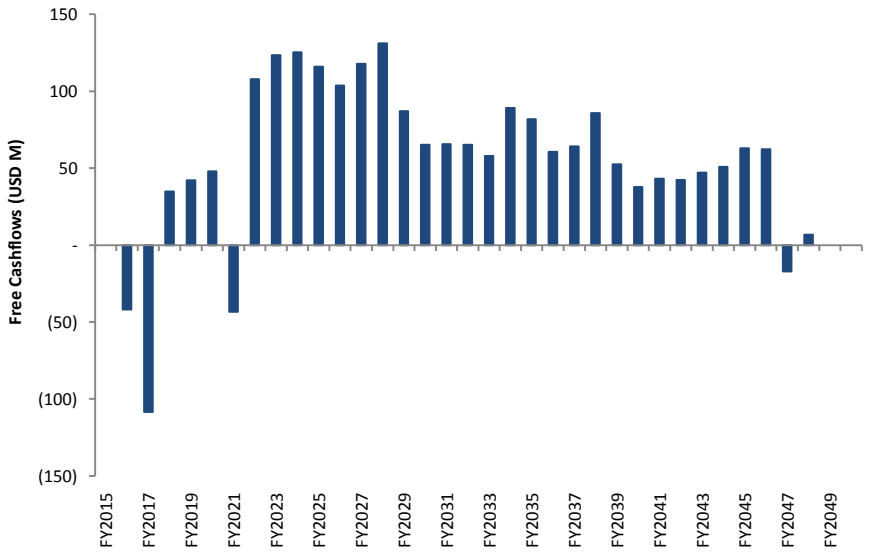


Source: Roskill

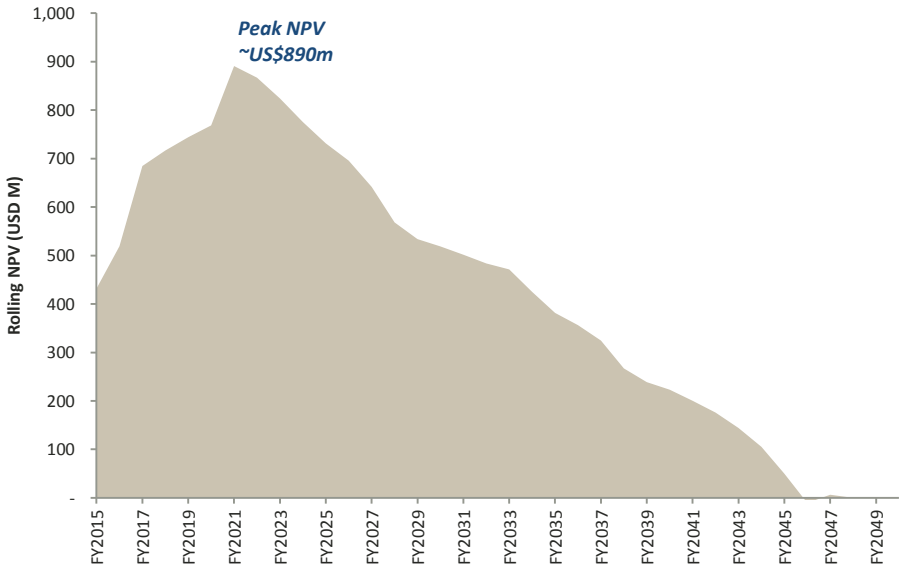
Compelling Economics

Low capex, strong margin & long life generates compelling economics and returns with significant leverage to positive niobium outlook

Project Free Cashflow (Management Case)



Rolling NPV (100% basis ungeared) (Management Case)

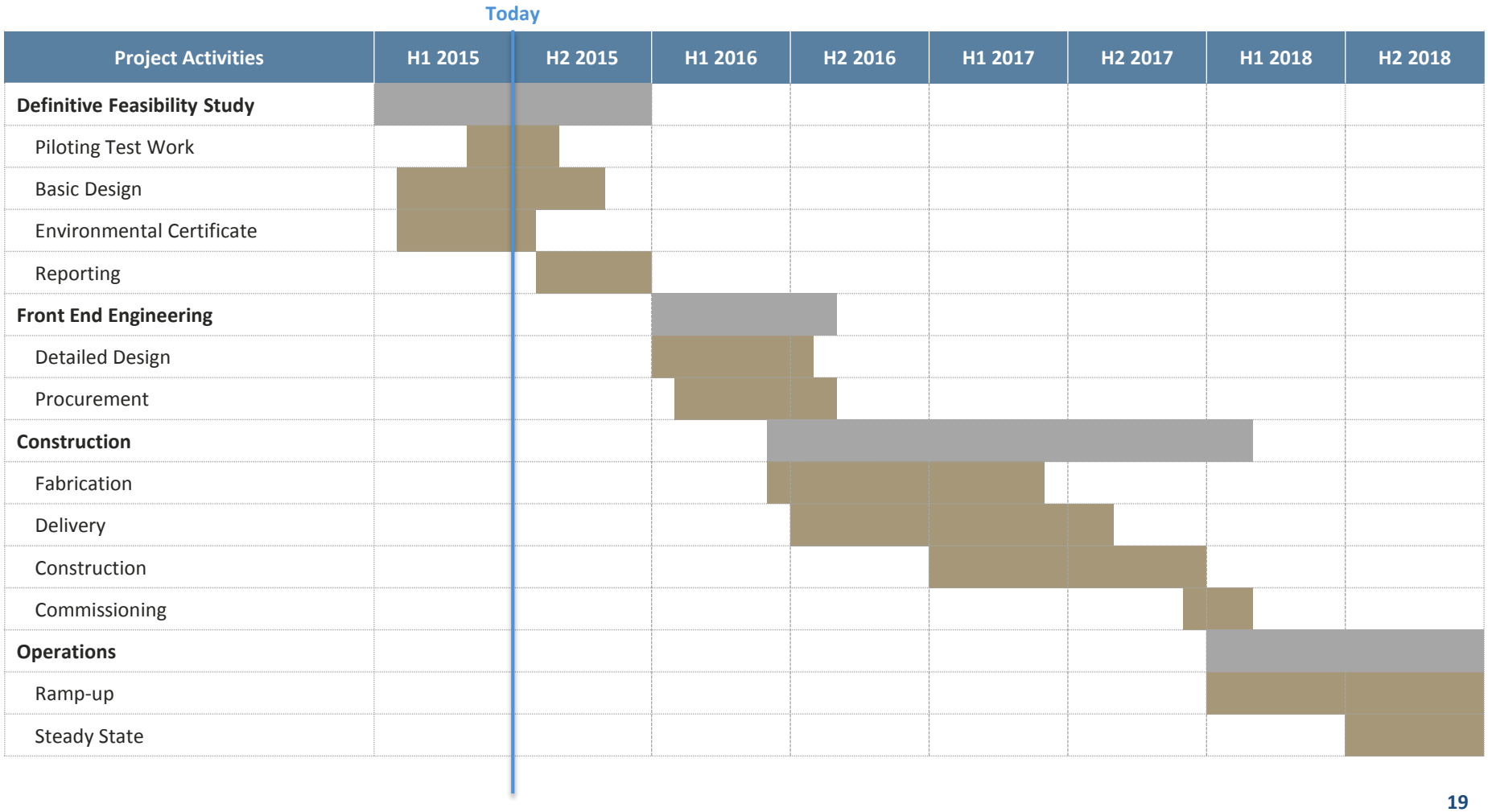


NPV & IRR Sensitivity to LT Niobium Price (Management Case)

Niobium Price (US/kg Nb)	39.6	41.8	44 *Assumed Case*	46.2	48.4
NPV_{10} (post-tax)	304	362	420	478	535
IRR (post-tax)	27%	30%	32%	35%	37%

Development Schedule

Panda Hill is set to commence production in early 2018



Capital Structure

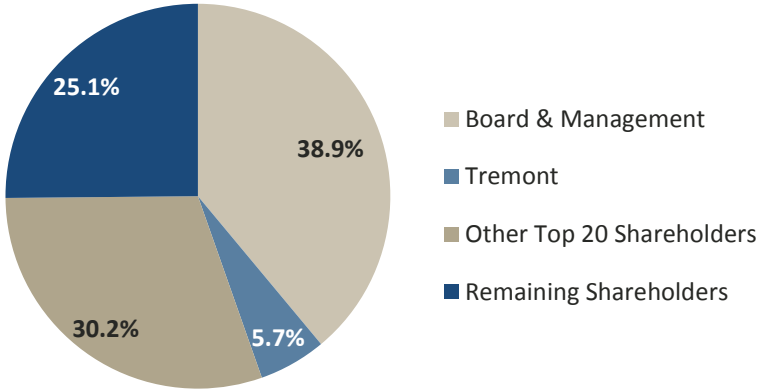
ASX-listed Cradle's board, management & founders together own ~45%

Capital Structure

CXX:ASX		
Quoted Shares		128,727,617
Performance Shares[1]		18,750,000
Total Shares (fully diluted)		**147,477,617**
Share Price (As at 27 Aug 2015)		A$0.25
Market Capitalisation[2]		**A$36.8m**
Net Cash (As at 30 June 2015)[2]		A$2.3m
Enterprise Value[2]		**A$34.5m**

Performance Rights & Options		
Performance Rights		1,837,500
Unlisted Options	Ex $0.2667, Exp May 2016	7,687,500
Unlisted Option	Ex $0.25, Exp April 2018	1,000,000
Unlisted Options	Ex $0.25, Exp Oct 2018	2,500,000
Total		**13,025,000**

Key Shareholders (assuming all performance shares vest)



Broker Research

Broker	Date	Target Price
Patersons	May-15	$0.39
GMP	Apr-15	$0.40
Mirabaud	Mar-15	$0.56
Argonaut	Mar-15	n/a
Consensus		**$0.45**

1. Performance shares convert to ordinary shares subject to completion of DFS delivering an NPV_{10} of US$400m or greater. Predominately held by Verona Capital Pty Ltd (and its principals)
2. Note figures have been rounded

Board & Management Team

Cradle is led by a highly experienced board and management team

Board & Management

Name	Role	Background	Experience
Craig Burton	Chairman	Resource Entrepreneur	• Panoramic, Exco, Capital Drilling, Mirabela
Grant Davey	Managing Director	Mining Engineer	• Senior operational management AGA, Anglo American
Evan Cranston	Non-Executive Director	Lawyer & Resource Entrepreneur	• Ampella, Carbine, Boss Resources, Attila
Didier Murcia	Non-Executive Director	Lawyer	• Honorary Consul for Tanzania, Chairman of law firm Murcia Pestell Hillard
Keith Bowes	Project Manager	Metallurgist	• Project management, Anglo American, BHP, Vale
Neil Inwood	Geology Manager	Geologist	• Principal consultant Coffey, Barrick
Claude Dufresne	Marketing Consultant	Mining / Metallurgy Engineer	• Marketing of Niobec product for 13 years

Summary

Cradle and Panda Hill makes for an attractive investment opportunity

- Panda Hill is well advanced – DFS underway and expected decision to mine in early 2016
- Strategic commodity with stable pricing
- World class Mineral Resource with low technical risk
- Located in a “mining-friendly” jurisdiction close to well-developed existing infrastructure
- High margin, long life asset with low capex leading to strong economics
- Attractive entry point for investor(s) to benefit in bridging significant valuation gap

Site Work Photos

Field Mapping

Mineralised Carbonatite Outcrop

Drilling Water Test Bores

Bulk Sampling

Irrigation Canal Relining

Geotechnical Drilling

Disclaimer and Competent Person

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The information contained within is only for distribution to the direct recipient and is not to be released to any third parties.

All statements, trend analysis and other information contained in this document related to markets for Cradle, trends in revenue, gross margin and anticipated expense levels, as well as other statements about anticipated future events or results, constitute forward-looking statements. Forward-looking statements often, but not always, are identified by the use of words such as ''seek', 'anticipate', 'believe', 'plan', 'estimate', 'expect', 'intend', 'forecast', 'project', 'likely', 'potential', ''target' and 'possible' and statements that an event or result 'may', 'will', 'would', 'should', 'could' or 'might' occur or be achieved and other similar expressions. Forward-looking statements are subject to known and unknown business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements are based on estimates and opinions of management at the date the statements are made.

Cradle does not undertake any obligation to update forward-looking statements even if circumstances or management's estimates or opinions should change. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

Cautionary Statement concerning Production Targets including Inferred Resources: Cradle advises that the PFS results and production targets reflected in this announcement are preliminary in nature as conclusions are drawn from partly from Indicated Mineral Resources and partly from Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated or Measured Mineral Resources or that the production target itself will be realised.

Competent Person's Statement

The information in this document that relates to the Exploration Target, Exploration Results and Resources is based on information compiled or reviewed by Mr Neil Inwood who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Inwood is a full time employee of Verona Capital Pty Ltd. Mr Inwood has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Inwood consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

The information relating to the Mineral Resource is extracted from the report entitled 'Significant Resource Upgrade for Panda Hill Niobium Project' created on 20th January 2015 and is available to view on www.cradleresources.com.au. The information relating to the Pre-Feasibility Study is extracted from the report entitled 'Positive Pre-Feasibility Study results For Panda Hill' created on 31st March 2015 and the update announcement on 14th July 2015 entitled 'Updated Panda Hill Site and Study Progress' and is available to view on www.cradleresources.com.au. The information referring to the Exploration Target is extracted from the report 'Panda Hill Progress Update and Exploration Target' created on 23rd April 2015 and is available to view on www.cradleresources.com.au. Other than as specified in this announcement and the mentioned announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, Exploration Target or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

THANK YOU

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