

16 June 2016

ASX Release

ASX Code: CXX

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## COMPLETION OF CAPITAL RAISING

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Cradle Resources Limited is pleased to confirm that, following its announcement on 10 June 2016, the Company has completed its capital raising of \$2,160,000 through the issue of 8,000,000 ordinary shares (Shares) at 27 cents each to sophisticated investors.

In addition, the Company has agreed to issue a further 2,000,000 Shares at a price of 30 cents each (raising an additional \$600,000) to a strategic investor who will assist the Company with its future international marketing and development capital raising endeavors. As part of the placement terms, the strategic investor will also be issued (at no additional cost) 2,000,000 options to subscribe for Shares exercisable at 30 cents each on or before 30 June 2018.

These raisings ensure that Cradle is sufficiently funded to meet its likely working capital requirements until the Panda Hill Project secures expected debt and equity funding and a decision to mine, including the final instalment of consideration owed to the Project vendor due to be paid in September 2016 (the Company's 50% share is US\$1.5m).

An Appendix 3B is attached.

### NOTICE UNDER SECTION 708A(5)(e) OF THE CORPORATIONS ACT

The Company advises that the Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A. By the Company giving this notice, a sale of the Shares will fall within the exemption in section 708A(5) of the Act.

As required by section 708A(6) of the *Corporations Act 2001* (Cth) (**Act**), the Company notifies ASX that:

1. the Shares were issued without disclosure to investors under Part 6D.2 of the Act;
2. this notice is being given under section 708A(5)(e) of the Act;
3. as at the date of this notice, the Company has complied with:
  - (a) the provisions of Chapter 2M of the Act as they apply to the Company; and
  - (b) section 674 of the Act;
4. As at the date of this notice, there is no information that:
  - (a) has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - (b) investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
    - i. The assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
    - ii. The rights and liabilities attaching to the Shares.

*For and on behalf of the Board*

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# 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  | (a) Fully Paid Ordinary Shares<br>(b) Unlisted Options  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | (a) 10,000,000<br>(b) 2,000,000   |
| 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) | (a) Fully Paid Ordinary Shares<br>(b) Unlisted Options exercisable at 30 cents each on or before 30 June 2018 |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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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>(a) Yes</p> <p>(b) Will rank equally with fully paid ordinary shares upon exercise</p>
<p>5 Issue price or consideration</p>	<p>(a) \$0.27 per share (for 8,000,000 Ordinary Shares) and \$0.30 (for 2,000,000)</p> <p>(b) Free attaching unlisted options issued at 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>Fully paid ordinary shares and unlisted options issued by the Company pursuant to a placement to sophisticated investors</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>27 November 2015</p>

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+ See chapter 19 for defined terms.

6c	Number of +securities issued without security holder approval under rule 7.1	(a) 10,000,000 Fully Paid Ordinary Shares  (b) 2,000,000 Unlisted Options
6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable
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.	Not applicable
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
7	+Issue dates  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.	16 June 2016

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

8	Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX (including the <sup>+</sup> securities in section 2 if applicable)	Number	<sup>+</sup> Class
		164,727,617	Ordinary Shares
9	Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX (including the <sup>+</sup> securities in section 2 if applicable)	Number	<sup>+</sup> Class
		787,500	Performance Rights
		1,000,000	Options ex \$0.25, exp 30/04/18
		3,250,000	Options ex \$0.25, exp 31/10/18
		2,000,000	Options ex \$0.30, exp 30/6/18
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable	

**Part 2 - Pro rata issue**

11	Is security holder approval required?	Not applicable
12	Is the issue renounceable or non-renounceable?	Not applicable
13	Ratio in which the <sup>+</sup> securities will be offered	Not applicable
14	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates	Not applicable
15	<sup>+</sup> Record date to determine entitlements	Not applicable

+ See chapter 19 for defined terms.

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

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+ See chapter 19 for defined terms.

## Appendix 3B

### New issue announcement

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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 | <p>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> | Not applicable |

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## Appendix 3B

### New issue announcement

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

### 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.

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+ See chapter 19 for defined terms.

- 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: 16 June 2016  
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

Rule 7.1 – Issues exceeding 15% of capital	
<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	128,727,617 Ordinary Shares
<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> <b>Note:</b> <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>	18,750,000 Ordinary Shares (issued 22 April 2016)
<b>Subtract</b> the number of fully paid ordinary securities cancelled during that 12 month period	
<b>“A”</b>	147,477,617

+ 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>	22,121,642
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> 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><b>Note:</b></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>6,200,000 Ordinary Shares (issued on 6 November 2015), with 3,100,000 Ordinary Shares subject to voluntary escrow until the commencement of commercial production of the Panda Hill mine</p> <p>1,050,000 Ordinary Shares (issued on 21 April 2016)</p> <p>750,000 Unlisted Options exercisable at 25 cents each on or before 31 October 2018 (issued on 6 May 2016)</p> <p>10,000,000 Ordinary Shares (issued on 16 June 2016)</p> <p>2,000,000 Unlisted Options (issued on 16 June 2016)</p>
<b>“C”</b>	20,000,000
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p><b>“A” x 0.15</b></p> <p><i>Note: number must be same as shown in Step 2</i></p>	22,121,642
<p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	20,000,000
<b>Total [“A” x 0.15] – “C”</b>	2,121,642

+ 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>	147,477,617
<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>	14,747,761
<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>• This applies to equity securities – not just ordinary securities</li> <li>• Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</li> <li>• 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</li> <li>• It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	
<b>“E”</b>	0
<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>	14,747,761
<b>Subtract “E”</b> <i>Note: number must be same as shown in Step 3</i>	0

+ See chapter 19 for defined terms.

<b>Total</b> ["A" x 0.10] – "E"	14,747,761 <i>[Note: this is the remaining placement capacity under rule 7.1A]</i>
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