



CRADLE RESOURCES LIMITED

ACN 149 637 016

NOTICE OF ANNUAL GENERAL MEETING

**For the Annual General Meeting of the Company to be held at
Level 7, 1008 Hay Street, Perth, Western Australia on
Wednesday, 30 November 2016 commencing at 1:00pm
(WST).**

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9389 2000.

Shareholders are urged to attend or vote by lodging the Proxy Form attached to the Notice.

CRADLE RESOURCES LIMITED

ACN 149 637 016

NOTICE OF GENERAL MEETING

Notice is hereby given that an annual general meeting of shareholders of Cradle Resources Limited (**Company**) will be held at Level 7, 1008 Hay Street, Perth, Western Australia on Wednesday, 30 November 2016 commencing at 1:00pm (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on 28 November 2016 at 4:00pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2016, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as a non-binding resolution the following:

"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on this Resolution and expressly authorises the Chairperson to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 - Re-election of Director – Mr Ian Middlemas

To consider and, if thought fit, to pass with or without amendment, the following as an ordinary resolution:

"That, Mr Ian Middlemas who retires in accordance with article 6.3(j) of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

4. Resolution 3 - Re-election of Director – Mr James Kelly

To consider and, if thought fit, to pass with or without amendment, the following as an ordinary resolution:

"That, Mr James Kelly who retires in accordance with article 6.3(j) of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

5. Resolution 4 - Re-election of Director – Mr Robert Behets

To consider and, if thought fit, to pass with or without amendment, the following as an ordinary resolution:

"That, Mr Robert Behets who retires in accordance with article 6.3(j) of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

6. Resolution 5 - Approval of 10% Placement Facility

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD

A handwritten signature in black ink that reads "Sophie Raven". The signature is written in a cursive style with a large initial 'S'.

Sophie Raven
Company Secretary
Dated: 28 October 2016

CRADLE RESOURCES LIMITED

A C N 1 4 9 6 3 7 0 1 6

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 7, 1008 Hay Street, Perth, Western Australia on Wednesday, 30 November 2016 commencing at 1:00pm (WST).

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolution:

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 – Adoption of Remuneration Report
Section 5:	Resolution 2 – Re-election of Director – Mr Ian Middlemas
Section 6:	Resolution 3 – Re-election of Director – Mr James Kelly
Section 7:	Resolution 4 – Re-election of Director – Mr Robert Behets
Section 8:	Resolution 5 – Approval of 10% Placement Facility
Schedule 1:	Definitions
Schedule 2:	Issues of Equity Securities since 28 October 2015

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 4:00pm (WST) on Monday, 28 November 2016, being at least 48 hours before the meeting.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2016.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.cradleresources.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the auditor's report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Adoption of Remuneration Report

4.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

4.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a

remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

4.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

5. Resolution 2 - Re-election of Director – Mr Ian Middlemas

Mr Ian Middlemas was appointed as a Non-Executive Director of the Company on 8 May 2016 in accordance with Article 6.2(b) of the Constitution, which provides that the Directors may appoint any person as a Director. On 2 August 2016 Mr Middlemas became Chairman of the Company.

Article 6.3(j) provides that, unless a Director appointed under Article 6.2(b) has retired under Article 6.3(i), such Director must retire at the next annual general meeting, and is eligible for re-election at that meeting.

In accordance with Articles 6.3(i) and (j) of the Constitution, Mr Middlemas retires from office and, being eligible for re-election, submits himself for re-election as a Director of the Company.

Details of the qualifications and experience of Mr Middlemas are set out in the Company's Annual Report.

The Board believes that Mr Middlemas has performed the duties and responsibilities of a Non-Executive Director and, subsequently, Chairman of the Company diligently and professionally since his appointment, in the best interests of all Shareholders.

The Board (excluding Mr Middlemas) unanimously supports the re-election of Mr Middlemas.

6. Resolution 3 - Re-election of Director – Mr James Kelly

Mr James Kelly was appointed as a Non-Executive Director of the Company on 2 February 2016 in accordance with Article 6.2(b) of the Constitution, which provides that the Directors may appoint any person as a Director. On 10 April 2016 Mr Kelly became an Executive Director of the Company.

Article 6.3(j) provides that, unless a Director appointed under Article 6.2(b) has retired under Article 6.3(i), such Director must retire at the next annual general meeting, and is eligible for re-election at that meeting.

In accordance with Articles 6.3(i) and (j) of the Constitution, Mr Kelly retires from office and, being eligible for re-election, submits himself for re-election as a Director of the Company.

Details of the qualifications and experience of Mr Kelly are set out in the Company's Annual Report.

The Board believes that Mr Kelly has performed the duties and responsibilities of a Non-Executive Director and, subsequently, Executive Director of the Company diligently and professionally since his appointment, in the best interests of all Shareholders.

The Board (excluding Mr Kelly) unanimously supports the re-election of Mr Kelly.

7. Resolution 4 - Re-election of Director – Mr Robert Behets

Mr Robert Behets was appointed as a Non-Executive Director of the Company on 8 May 2016 in accordance with Article 6.2(b) of the Constitution, which provides that the Directors may appoint any person as a Director.

Article 6.3(j) provides that, unless a Director appointed under Article 6.2(b) has retired under Article 6.3(i), such Director must retire at the next annual general meeting, and is eligible for re-election at that meeting.

In accordance with Articles 6.3(i) and (j) of the Constitution, Mr Behets retires from office and, being eligible for re-election, submits himself for re-election as a Director of the Company.

Details of the qualifications and experience of Mr Behets are set out in the Company's Annual Report.

The Board believes that Mr Behets has performed the duties and responsibilities of a Non-Executive Director of the Company diligently and professionally since his appointment, in the best interests of all Shareholders.

The Board (excluding Mr Behets) unanimously supports the re-election of Mr Behets.

8. Resolution 5 - Approval of 10% Placement Facility

8.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$42,829,180 (based on the number of Shares on issue and the closing price of Shares on the ASX on 27 October 2016).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: CXX).

If Shareholders approve Resolution 5, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed.

8.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 5.2(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 27 October 2016.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.13 50% decrease in Issue Price	0.26 Issue Price	0.39 50% increase in Issue Price
162,727,617 (Current Variable A)	Shares issued - 10% voting dilution	16,272,761 Shares	16,272,761 Shares	16,272,761 Shares
	Funds raised	\$2,115,458	\$4,230,917	\$6,346,376
244,091,426 (50% increase in Variable A)	Shares issued - 10% voting dilution	24,409,142 Shares	24,409,142 Shares	24,409,142 Shares
	Funds raised	\$3,173,188	\$6,346,376	\$9,519,565
325,455,234 (100% increase in Variable A)	Shares issued - 10% voting dilution	32,545,523 Shares	32,545,523 Shares	32,545,523 Shares
	Funds raised	\$4,230,917	\$8,461,835	\$12,692,754

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 162,727,617 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX on 27 October 2016.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares or Performance Rights converted into Shares before the date of issue of the Equity Securities.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
8. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration. In such circumstances, the Company intends to use the funds raised towards the acquisition of resource assets or investments (which may include costs associated with due diligence and engagement of advisors in assessing new resource assets) and/or continued development and/or financing of the Company's existing niobium assets in Tanzania; or
- (ii) as non-cash consideration in relation to costs associated with the acquisition of resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and

(vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 27 November 2015 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of this Notice, the Company otherwise issued a total of 36,000,000 Ordinary Shares and 2,750,000 Unlisted Options which represents approximately 28% of the total diluted number of Equity Securities on issue in the Company on 28 October 2015, which was 128,727,617.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 2.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

8.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 5.

Schedule 1 - Definitions

In the Notice and this Explanatory Memorandum:

\$ means Australian dollars.

10% Placement Facility has the meaning given in Section 6.1.

10% Placement Period has the meaning given in Section 6.2(f).

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2016.

ASIC means the Australian Securities and Investment Commission.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors from time to time.

Chairperson means the person appointed to chair the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Cradle Resources Limited ABN 60 149 637 016 and ACN 149 637 016.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the directors of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Explanatory Memorandum means this explanatory memorandum.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means the notice of general meeting which this Explanatory Memorandum accompanies.

Option means an option to acquire a Share.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution in the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Security means a Share or Option.

Securityholder means a holder of a Share and/or Option.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Strike means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

Trading Day means a **day** determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means volume **weighted** average **price**.

WST means Western Standard Time, being the time in Perth, Western Australia.

In the Notice and this Explanatory Memorandum, words importing the singular include the plural.

SCHEDULE 2 – ISSUES OF EQUITY SECURITIES SINCE 28 OCTOBER 2015

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 6 November 2015 Appendix 3B – 10 November 2015	6,200,000	Ordinary Shares ²	RECB Limited	No issue price (non-cash consideration)	Issued as part consideration for the sale of the Panda Hill mining licences from RECB Limited to Panda Hill Tanzania Ltd. Current value ⁴ = \$1,612,000
Issue – 21 April 2016 Appendix 3B – 20 April 2016	19,800,000	Ordinary Shares	Holders of Class B Performance Shares and Performance Rights	No issue price (non-cash consideration)	Issued by the Company following the conversion of 18,750,000 Class B Performance Shares and 1,050,000 Performance Rights. Current value ⁴ = \$5,148,000
Issue and Appendix 3B – 6 May 2016	750,000	Unlisted Options exercisable at 25 cents each on or before 31 October 2018	Robert Behets	No issue price (non-cash consideration)	Issued as part remuneration for services.
Issue and Appendix 3B – 16 June 2016	10,000,000	Ordinary Shares	Sophisticated investors	\$0.27 per share (for 8,000,000 Ordinary Shares) and \$0.30 per share (for 2,000,000 Ordinary Shares)	Cash. Current value ⁴ = \$2,600,000
Issue and Appendix 3B – 16 June 2016	2,000,000	Unlisted Options exercisable at 30 cents each on or before 30 June 2018	Sophisticated investor	No issue price; free attaching options to the 2,000,000 Ordinary Shares issued at \$0.30 each on 16 June 2016	Free attaching options to Ordinary Shares.

Notes:

- Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
- Fully paid ordinary shares in the capital of the Company, ASX Code: CXX (terms are set out in the Constitution).
- This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
- In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.26) on the ASX on 27 October 2016.

The fair value of the performance shares is recognised as a share based payment expense, where the total amount expensed is determined by reference to, the fair value of the performance shares granted, including the market performance conditions and the impact of any non-vesting conditions, and is recognised over the vesting period, which is the period over which all of the specified performance conditions are satisfied.

PROXY FORM

The Company Secretary
Cradle Resources Limited

By delivery:

Level 7, 1008 Hay Street
PERTH WA 6000

By post:

PO Box 7209 Cloisters Square
PERTH WA 6850

By facsimile:

+61 8 9389 2099

Name of
Shareholder:

Address of Shareholder:

Number of Shares entitled
to vote:

Please mark to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/we being Shareholder/s of the Company hereby appoint:

The Chairperson
(mark box)

- OR** if you are **NOT** appointing the Chairperson as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairperson of the Meeting to be held at Level 7, 1008 Hay Street, Perth, Western Australia on Wednesday, 30 November 2015 at 1:00pm (WST), as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit).

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

If 2 proxies are appointed, the proportion or number of votes that this proxy is authorised to exercise is []% of the Shareholder's votes / [] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

Step 2 – Instructions as to Voting on Resolutions

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report			
Resolution 2	Re-election of Director - Mr Ian Middlemas			
Resolution 3	Re-election of Director - Mr James Kelly			
Resolution 4	Re-election of Director - Mr Robert Behets			
Resolution 5	Approval 10% Placement Capacity			

* If you mark the Abstain box for the Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Authorised signature/s This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

The Chairperson intends to vote all available proxies in favour of the Resolution.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy, the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified, each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name, all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting, the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Perth office of the Company (Level 7, 1008 Hay Street, Perth, WA, 6000, or by post to PO Box 7209 Cloisters Square, Perth, WA, 6850 or Facsimile (08) 9389 2099 if faxed from within Australia, or +618 9389 2099 if faxed from outside Australia), not less than 48 hours prior to the time of commencement of the Meeting (WST).