

10 March 2017

ASX Release

ASX Code: CXX

TREMONT INVESTMENTS LIMITED MAKES A\$0.33 PER SHARE ALL CASH OFFER FOR CRADLE RESOURCES LIMITED

TRANSACTION SUMMARY

- Cradle and Tremont have entered into a Scheme Implementation Agreement under which Tremont will acquire all of the issued share capital in Cradle which it does not already own by way of a scheme of arrangement
- Under the Scheme, Cradle shareholders will receive cash consideration of A\$0.33 per share. This values Cradle at approximately A\$55.0 million
- The cash offer of A\$0.33 per share represents:
 - a 43.5% premium to the last closing price of Cradle; and
 - a 37.3% premium to the 20 day VWAP of Cradle; and
- The cash consideration provides an opportunity for Cradle shareholders to realise immediate value for their Cradle shares
- Tremont is Cradle's 50/50 joint venture partner in the Panda Hill Niobium Project, and is backed by Denham Capital, a leading energy and resources global private equity firm
- The Board has concluded that the transaction is in the best interests of Cradle shareholders
- Subject to an Independent Expert determining that the Scheme is in the best interests of Cradle shareholders, the Directors of Cradle have agreed to unanimously recommend Tremont's offer, in the absence of a superior proposal
- Directors of Cradle and other substantial shareholders of Cradle who in aggregate hold approximately 45.5% of voting shares intend to vote in favour of the Scheme, in the absence of a superior proposal.

PERTH, Western Australia – 10 March 2017: Cradle Resources Limited ("Cradle" or "Company") (ASX: CXX) is pleased to announce that it has received an all-cash offer from Tremont Investments Limited ("**Tremont**"), its 50/50 joint venture partner in the Panda Hill Niobium Project, to acquire all of the issued shares of Cradle for A\$0.33 per share (the "**Offer Price**") via a Board recommended scheme of arrangement (the "**Scheme**") under the Australian Corporations Act. This values Cradle at approximately A\$55.0 million.

The Offer Price of A\$0.33 per share represents a 43.5% premium to the last closing price and a 37.3% premium to the 20 day VWAP of Cradle shares on the ASX.

Tremont is backed by Denham Capital, an energy and resources private equity firm which sponsors experienced mining management teams. Tremont already holds an approximate 19.6% of Cradle shares.

Accordingly, this transaction will increase Tremont's effective interest/underlying ownership in the Panda Hill Niobium Project from 59.8% to 100%.

The cash offer enables Cradle shareholders to realise immediate value for their Cradle shares and reflects the size, strategic nature and development potential of the Panda Hill Niobium Project.

Cradle's Chairman, Ian Middlemas said "This is a compelling proposal and provides Cradle shareholders with the opportunity to realise a significant premium. The all-cash offer of A\$0.33 per Cradle share provides Cradle shareholders with certainty of value and an opportunity to realise their investment in full for cash. Tremont's management team shares our vision for the development of the Panda Hill Niobium Project, and as such, we believe they are the right long-term partner for future customers, employees and other stakeholders in this capital intensive project".

Cradle's Board of Directors Unanimously Recommends the Scheme

The Directors of Cradle unanimously recommend that Cradle shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the independent expert concluding that the Scheme is in the best interests of Cradle shareholders. Subject to those same qualifications, each Director of Cradle intends to vote all Cradle shares they hold or control (including any proxies given at their discretion) in favour of the Scheme.

Directors and Substantial Shareholders Support the Scheme

Directors of Cradle and other substantial shareholders of Cradle (Arredo Pty Ltd, Aviemore Capital Pty Ltd, Alba Capital Pty Ltd, Mr Brett & Michelle Mitchell, and Edwards Family Holdings Ltd), holding in aggregate 45.5% of the voting shares, have stated their present intention to vote, or procure the voting of, all of the shares held by them or on their behalf at the time of the Scheme meeting in favour of the Scheme, in the absence of a superior proposal. This voting intention statement is not an agreement with Cradle and does not prevent the directors of Cradle or the other substantial shareholders of Cradle from disposing of their Cradle shares.

Details of the Scheme

Cradle and Tremont have entered into a Scheme Implementation Agreement ("SIA") under which Cradle has agreed to propose the Scheme between Cradle and its shareholders for the acquisition of all Cradle shares by Tremont for cash consideration of A\$0.33 per Cradle share.

The Scheme is subject to a number of conditions including Cradle shareholder and Federal Court of Australia approval, regulatory approvals, including FIRB and the FCC¹, and no material adverse change or prescribed occurrences. The Scheme is not conditional on due diligence or finance. Tremont will fund the total cash consideration using existing cash reserves and entitlements to cash pursuant to funding arrangements entered into with Denham Capital.

¹ Foreign Investment Review Board (Australia); and Fair Competition Commission (Tanzania), respectively.

The SIA contains customary exclusivity provisions including no shop and no talk restrictions, a notification obligation and a matching right, subject to Cradle Directors' fiduciary and statutory obligations. The SIA also details the circumstances under which a US\$750,000 break fee may be payable by Cradle to Tremont. A copy of the SIA will be released separately to ASX today.

Indicative Timetable and Next Steps*

Cradle shareholders do not need to take any action at the present time.

Set out below is an indicative timetable for the Scheme:

Event	Expected Date
Lodge Scheme Booklet and Independent Expert's Report with ASIC for review	Mid April 2017
First Court hearing date	Mid April 2017
Despatch of Scheme Booklet	Mid May 2017
Scheme Meeting held	Mid June 2017
Second Court hearing date	Mid June 2017
Lodge court order with ASIC (Effective Date)	Mid June 2017
Record date	Late June 2017
Implementation date	Late June 2017

* The above dates are indicative only and are subject to change.

Advisers to Cradle

Cradle's financial adviser is Argonaut and legal adviser is DLA Piper Australia.

Advisers to Tremont

Tremont's legal adviser is King & Wood Mallesons and corporate adviser is KPMG Corporate Finance.

Contact Information:

For further information, please contact:

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