

**3 July 2017**

**ASX Release**

**ASX Code: CXX**

## **TERMINATION OF SCHEME IMPLEMENTATION AGREEMENT**

**PERTH, Western Australia – 3 July 2017: Cradle Resources Limited (“Cradle” or “Company”) (ASX: CXX)** advises that the Scheme Implementation Agreement relating to the proposed scheme of arrangement pursuant to which Tremont Investments Limited would have acquired all of the issued shares of Cradle (the “Scheme”), has been terminated.

The termination was a result of newly proposed changes in Tanzanian law from three bills which were presented to the Parliament of Tanzania for a first reading on 29 June 2017 and the imposition of a 1% inspection fee on the value of mineral exports by the Tanzanian Government. If the proposed changes are passed, amongst other things, the Tanzanian Government will be entitled to not less than a 16% free carried interest in the shares of all mining companies. We understand that the new bills will be debated by the Tanzanian Parliament in an extended parliamentary session this week. Although significant uncertainty exists about the proposed changes, if passed without significant amendment they are likely to have an adverse effect on the project.

As a result of the termination of the Scheme Implementation Agreement, the Scheme will not proceed. Cradle shareholders will retain their Cradle shares and Cradle will now continue to move forward with its Panda Hill Niobium Project. The Board will continue to review the implications of the proposed changes of law and termination of the Scheme Implementation Agreement on the Company and the Panda Hill Niobium Project and will update the market in due course.

### **Contact Information:**

For further information, please contact:

Greg Swan, Company Secretary  
Tel: +61 8 9322 6322