

CRADLE RESOURCES LIMITED (“CRADLE”)

INDEPENDENT ADVICE PROCEDURE

1 INDEPENDENT ADVICE¹

A director of Cradle Resources Limited (“**Cradle**”) is entitled to seek independent professional advice (including but not limited to legal, accounting and financial advice) at Cradle’s expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures and subject to the conditions set out below:

- (a) a director must seek the prior approval of the chairman;
- (b) in seeking the prior approval of the chairman, the director must provide the chairman with details of:
 - (i) the nature of the independent professional advice;
 - (ii) the likely cost of seeking the independent professional advice; and
 - (iii) details of the independent adviser he or she proposes to instruct.
- (c) the chairman may prescribe a reasonable limit on the amount that Cradle will contribute towards the cost of obtaining such advice; and
- (d) all documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to Cradle and to the director in his or her personal capacity. However, the right to advice does not extend to advice concerning matters of a personal or private nature, including for example, matters relating to the director’s contract of employment with Cradle (in the case of an executive director) or any dispute between the director and Cradle.

¹ ASX Corporate Governance Council, Corporate Governance Principles and Recommendations, includes in the Guide to Reporting on Principle 2 the disclosure of this procedure as one of the matters that should be included in the annual report.