



ACN 149 637 016

PROSPECTUS

An initial public offer to raise \$2,400,000 by the issue of 12,000,000 Shares at an issue price of \$0.20 each per Share.

This is an important document. Please consult your professional adviser(s) if you have any questions. The mineral properties described in this Prospectus are at the application, exploration and evaluation stage. Accordingly investment in the Shares offered by this Prospectus should be regarded as speculative in nature, and investors should be aware that they may lose some or all of their investment.

Corporate Directory

Directors

Michael Ashforth–Chairman
Brendan Cummins–Non-Executive Director
Evan Cranston–Non-Executive Director

Company Secretary

Ian Gregory

Registered and Corporate Office

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Subiaco WA 6008
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Email: admin@cradleresources.com.au

Stock Exchange Listing

Australian Securities Exchange Limited
ASX Code : **CXX**

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Telephone: +61 8 9315 2333
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Solicitors

Hardy Bowen Lawyers
Level 1
28 Ord Street
West Perth WA 6005

Auditor

Ernst & Young
11 Mounts Bay Road
Perth WA 6000

Investigating Accountant

Ernst & Young
11 Mounts Bay Road
Perth WA 6000

Independent Geologist

Mining Assets Pty Ltd
36 Drew Rd
Ardross WA 6153

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Important Notices and Statements

General

This Prospectus is dated and was lodged with ASIC on 27 July 2011. Neither ASIC nor ASX take responsibility for the contents of this Prospectus.

No Shares will be issued or granted on the basis of this Prospectus after the Closing Date which will be not later than 13 months after the date of this Prospectus.

The Prospectus will generally be made available in electronic form during the Exposure Period by being posted on the Company's website at www.cradleresources.com.au. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the Application Form (free of charge) from the Company's principal place of business during the Offer Period by contacting the Company. The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and Application Form within Australia.

Applications for Shares will only be accepted on the Application Form accompanying this Prospectus or in its paper copy form as downloaded in its entirety from www.cradleresources.com.au. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer other than as is contained in this Prospectus. Any information or representation not contained in the Prospectus should not be relied on as having been made or authorised by the Company or its Directors in connection with the Offer.

The Company is not admitted to the Official List. The Company will make application within 7 days of the date of this Prospectus for admission of the Company and Official Quotation of the Shares to the Official List.

Foreign Investors

No offer is made by this Prospectus in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where it would be unlawful to issue this Prospectus.

Exposure Period

Applications for Shares under this Prospectus will not be processed until after expiry of the Exposure Period pursuant to Chapter 6D of the Corporations Act. No preference will be conferred on Applications received during the Exposure Period. All Applications received during the Exposure Period will be treated as if they were simultaneously received on the Opening Date. If the Exposure Period is extended by ASIC, Applications will not be processed until after expiry of the extended Exposure Period.

The purpose of the Exposure Period is to enable examination of this Prospectus by market participants prior to the acceptance of Applications and the raising of funds. That examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any Application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act.

Speculative Investment

The Shares offered under this Prospectus are considered speculative. There is no guarantee that the Shares offered by this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

Prospective investors should carefully consider whether the Shares offered by this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 9 for details relating to the investment risks.

Using this Prospectus

Persons wishing to subscribe for Shares offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Shares offered pursuant to this Prospectus. If persons considering subscribing for the Shares offered by this Prospectus have any questions, they should consult their stockbroker, solicitors, accountants or professional advisers for advice.

Prospective investors wishing to subscribe for Shares should complete the Application Form attached to, or provided with, this Prospectus.

Competent Persons Statement

The details contained in Section 1 that pertain to exploration results, ore and mineralisation is based upon information compiled by Mr Brendan Cummins, a Non-Executive Director of the Company. Mr Cummins is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Cummins consents to the inclusion in Section 1 of the Prospectus of the matters based upon his information in the form and context in which it appears.

Glossary

Defined terms and abbreviations used in this Prospectus are explained in the Glossary in Section 13.

Investment Overview

This information is a selective overview only. Prospective investors should read the Prospectus in full, including the experts' reports in this Prospectus before deciding to invest in Shares.

Topic	Summary	Reference
Projects	<p>The Booyeema Project and Wyloo Project are both located in the Pilbara Region.</p> <p>The Company is seeking to undertake exploration for iron, copper and nickel mineralisation</p>	Section 1.2
Exploration techniques	<p>The Company is seeking to evaluate geophysical anomalies and apply new and alternative exploration concepts to areas with the potential to host mineralisation</p>	Section 1.2
Strategy and Budget	<p>The Company's exploration strategy and budget is consistent with evaluating, ranking and testing the alternative exploration concepts</p>	Section 1.2 and 1.3
Board	<p>An experienced Board with a proven track record that aims to grow the Company through exploration success and value creating acquisitions</p> <p>The members of the Board are Michael Ashforth, Evan Cranston and Brendan Cummins</p> <p>The Directors each hold Shares and Options in the Company and are entitled to remuneration</p>	Section 2.1 and 10.5
Investment Opportunities	<p>The Board will assess other global resource investment opportunities in various jurisdictions to create additional Shareholder value</p>	Section 1.4
What is being offered	<p>12 million new Shares are being offered by the Company at an issue price of \$0.20 to raise \$2,400,000</p> <p>Shares issued under the Offer will represent approximately 44% of the paid up capital of the Company following the Offer (on an undiluted basis)</p>	Section 3
How do I apply for Shares	<p>Applications for Shares under the Offer can be made by completing the Application Form accompanying this Prospectus (including a paper copy of an Application Form issued and distributed</p>	Application Form

Topic	Summary	Reference
	with an electronic version of this Prospectus) in accordance with its instructions	
What is the cost of the Offer	The expenses of the Offer are approximately \$143,370	Section 10.6
Will dividends be paid	The Company is a mineral exploration company and is not mining, generating revenue or making profits and does not expect to pay dividends in the near future	
Further information	Further information can be obtained can be made by reading the Prospectus or consulting your professional advisors	
Company contact	You can contact the Company Secretary on (+61) 8 6143 1869 for further details	Corporate Directory and 3.18

Investment Risks

There are a number of risks associated with investing in the share market generally and in the Company specifically. The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities on the Company.

An investment in the Shares of the Company is considered speculative in nature and investors should be aware that they may lose some or all of their investment. Prospective investors should read this Prospectus in its entirety before deciding on whether to apply for Shares and, in particular, consider the risk factors set out in Section 9 which include (but are not limited to):

Risk	Summary	Reference
Exploration and Development	General exploration and development risks associated with the Booyeema Project and Wyloo Project. Specifically risks associated with new and alternative exploration concepts that will be used to test geophysical anomalies	Section 9.1(c)
Grant and Tenure of Title	The Company will acquire legal title to the Tenements following exercise of an option pursuant to option agreements. There is no guarantee legal title will be transferred to the Company Legal title to the Wyloo Tenement cannot be granted until 25 February 2012 The Tenements are subject to renewal and have annual expenditure requirements. If a Tenement is not renewed or annual expenditure requirements not met then the Company may suffer significant damage	Section 9.1(a) and 9.1(b)
Future Capital Requirements	There is no certainty regarding the ability of the Company to raise sufficient funds to meet the needs of the Company in the future	Section 9.1(e)
New acquisition risk	The Company will seek to acquire new projects which will require the payment of monies. There can be no guarantee that any proposed acquisition will be completed or be successful	Section 9.1(d)
Limited Operating History	The Company has limited operating history on which an evaluation of its prospects can be made	Section 9.1(h)
Reliance on key personnel	The Company is reliant on a number of key personnel and consultants, including members of the Board	Section 9.1(n)
General Risks	There are a number of general risks including share investments market conditions and economic risk	Section 9.2

Indicative Timetable to the Offer

Lodgement of Prospectus with ASIC	27 July 2011
Expected Opening Date ¹	3 August 2011
Expected Closing Date of the Offer ²	5:00pm WST on 26 August 2011
Despatch of Holding Statements³	31 August 2011
Proposed date of trading of Shares on ASX to commence ³	6 September 2011

Notes

- 1 Subject to the Exposure Period. Any extension of the Exposure Period will impact on the Opening Date.
- 2 Prospective investors are encouraged to submit their Applications as early as possible. The Directors reserve the right to close the Offer earlier or later than as indicated above without prior notice to prospective investors.
- 3 Anticipated dates only. The date the Shares are expected to be issued and/or commence trading on ASX may vary with any change to the Offer Closing Date.

Key Offer Statistics

The price of Shares offered under this Prospectus is \$0.20.

A total of 12,000,000 Shares will be offered under this Prospectus to raise a total of \$2,400,000.

The capital structure of the Company at the completion of the Offer will be as follows:

	Shares	Options
On issue at the date of this Prospectus	14,500,000 ¹	10,250,000 ²
Acquisition of Projects	1,000,000 ³	-
Offered under this Prospectus	12,000,000 ¹	-
Total securities on issue	27,500,000	10,250,000

Notes

1. Refer to Section 11.1 for rights and obligations attaching to Shares.
2. Exercisable at \$0.20 on or before the date 5 years from the date of grant.
3. Shares are required to be issued on exercise of the Wyloo Option Agreement and Booyeema Option Agreement.

Chairman's Letter

27 July 2011

Dear Investor,

On behalf of the Board of Cradle Resources Limited, I am pleased to present this Prospectus for the Company's initial public offer and invite you to become a Shareholder in the Company.

The purpose of the Offer is to raise \$2,400,000 by the issue of 12,000,000 Shares each at an issue price of \$0.20 to fund the Company's mineral exploration activities.

The Company currently intends to focus on exploring its Western Australian base metal and iron assets highlighted in this Prospectus. The Company may also pursue appropriate opportunities, both domestically and internationally, to acquire control, earn interests or enter into joint ventures and similar alliances in relation to other projects for other commodities, in order to expand the Company's existing portfolio of exploration assets.

The Board of the Company includes directors experienced in the resources industry and the Company has access to technical consultants with experience in mineral exploration.

This Prospectus includes details of the Company, its assets and proposed operations, together with a statement of the risks associated with investing in the Company. I encourage you to read this Prospectus carefully and, if you are interested in investing in the Company, seek independent professional advice.

Once again, on behalf my fellow Directors, I invite you to subscribe for Shares under the Offer.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M Ashforth', with a horizontal line drawn underneath it.

Michael Ashforth
Chairman

1. Overview of Company

1.1 Company Background

The Company was incorporated on 2 March 2011 and is an Australian based minerals exploration company that has secured options to acquire exploration tenements located in the Pilbara region of northwest Western Australia. The Company aims to focus on mineral exploration and the development and exploitation of economic mineralisation which may be discovered.

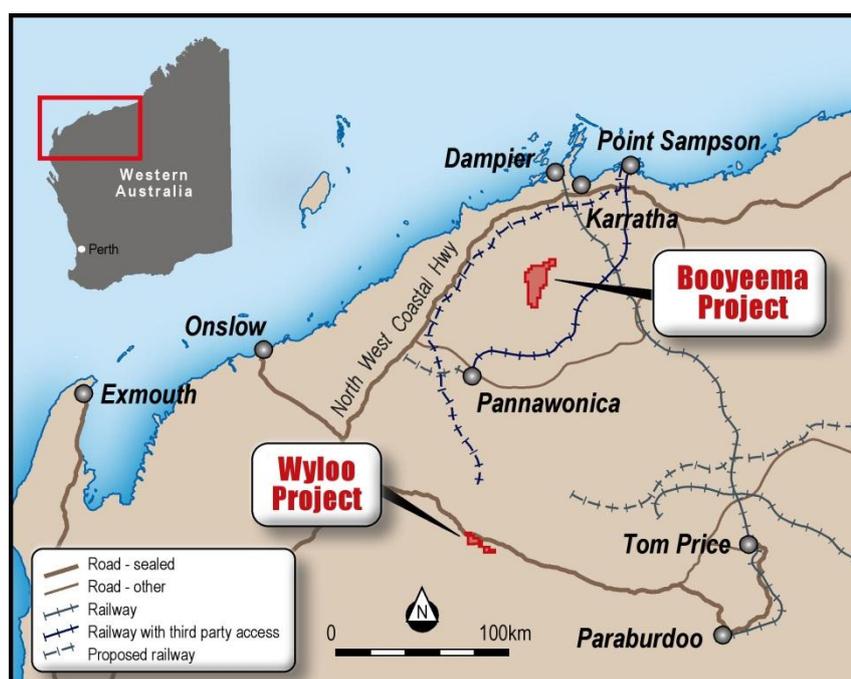
1.2 Project Information

The Company has entered into two legally binding option agreements to acquire exploration tenements in Western Australia.

The Booyeema Project and Wyloo Project are both exploration opportunities with well understood local geology that should contribute to an effective and efficient exploration program to maximise the value of expenditure on the Projects.

The Company plans to test new and alternative exploration concepts as part of its exploration approach for both the Booyeema Project and Wyloo Project. At the Booyeema Tenement, standard exploration techniques will not detect potentially concealed nickel or copper mineralisation below cover sequences. The Company has access to airborne electro-magnetics and magnetics that have highlighted zones of conductance that require further investigation. Whilst the Wyloo Tenement contains the stratigraphy known to host iron mineralisation in the Pilbara region, previous explorers have solely focused on exploring for gold, lead and zinc. The Company has an opportunity to apply alternative exploration techniques in its search for iron mineralisation.

The risks associated with exploration and new and alternative exploration techniques are set out in Section 9.1(c).



(a) **Booyeema Project**

The Booyeema Tenement occurs almost exclusively within the Mt Bruce Supergroup of the Hamersley Basin. The exploration tenement is considered prospective for basement hosted sulphides, below the Hamersley Basin, that have the potential to host nickel, copper and other base metals. Exploration targets are conceptual and at an early stage based primarily of geophysical anomalies.

The exploration strategy is to validate and rank existing geophysical anomalies prior to commencing drilling. Specifically, the airborne versatile time domain electro-magnetics (VTEM) targets require further geophysical interrogation and on-the-ground evaluation involving the completion of ground electro-magnetics and mapping. The surface mapping may provide some indications of structural setting and assist in targeting future drill holes. Once suitable targets have been established it is proposed that reverse circulation drilling and / or diamond drilling will be the most appropriate technique to test the validity of the models. down hole electro-magnetics (DHEM) would also be required to delineate the extent and orientation of in-hole and potential off-hole conductors intersected during the drilling phase.

(b) **Wyloo Project**

The Wyloo Tenement straddles the boundary of the Hamersley and Ashburton Basins. Banded Iron Formations (**BIF**) have been identified within the Wyloo Tenement and represent targets justifying further evaluation to delineate potential iron mineralisation. Work completed by previous explorers over the past 50 years has focused primarily on gold and other base metals.

The exploration strategy will be a traditional approach of acquiring satellite imagery and regional aeromagnetic surveys, undertaking reconnaissance mapping and rock-chip sampling. Further detailed aerial magnetic surveys may also be conducted to delineate de-magnetised zones associated with a typically magnetic BIF suggestive of magnetite to hematite conversion.

Exploration activities will be strongly results-driven and therefore subject to change as initial results are received and evaluated.

1.3 Proposed Expenditure Budget

The Company plans to implement a focused and cost effective exploration program over a two-year timeframe totalling \$1,407,734. Following the first 12 months of exploration, funding will be results driven and hence subject to change. The proposed expenditure is summarised below:

Booyeema	Activity	Year 1 (A\$)	Year 2 (A\$)
	Geological Staffing & Consultants	52,000	60,000
	Ground and Aerial Geophysics	68,000	47,000
	Vehicle Costs	8,700	17,400
	Drilling + drilling support		245,802
	Drilling Assays		5,250
	Geochemistry	1,225	-
	Field Support	94,600	30,000
	Tenements	13,200	13,200
	Total	237,725	418,652
Wyloo	Activity	Year 1 (A\$)	Year 2 (A\$)
	Geological Staffing & Consultants	60,000	92,000
	Ground and Aerial Geophysics	50,000	10,000
	Vehicle Costs	13,050	20,300
	Drilling + drilling support	137,500	221,732
	Drilling Assays	26,250	26,250
	Geochemistry	5,250	2,625
	Field Support	33,200	48,000
	Tenements	2,600	2,600
	Total	327,850	423,507

The above exploration activities and budget will be subject to modification on an ongoing basis depending on the results obtained from exploration activities as they are carried out.

Due to market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in this Prospectus), actual expenditure levels may differ significantly to the above estimates. The Company also intends to capitalise on other opportunities as they arise which may result in costs being incurred that are not included in these estimates.

Further details regarding the application of funds raised from the Offer are detailed in Section 3.3 of this Prospectus and the Independent Geologists Report at Section 4.

1.4 New Projects and Acquisitions

The Board will seek to assess other global resource investment opportunities in various jurisdictions to create additional Shareholder value.

If and when a viable investment opportunity is identified, the Board may elect to acquire or exploit such opportunity by way of acquisition, joint-venture or earn-in arrangement which may involve the payment of consideration in cash, equity or a combination of both.

The Board will assess the suitability of investment opportunities by utilizing their experience in evaluating projects. There are uncertainties in the process of identifying and acquiring new and suitable projects.

1.5 Objectives of the Company

The objectives of the Company are to:

- (a) undertake exploration for iron, copper and nickel mineralisation on both the Booyeema Project and Wyloo Project ; and
- (b) pursue new projects and acquisitions in the resource sector in various jurisdictions.

The Board believe the Company will have sufficient working capital to achieve the above mentioned objectives.

2. Board and Management

2.1 Directors Profiles

The names and details of the Directors in office at the date of this Prospectus are:

Michael Ashforth - Chairman

Michael Ashforth is an Executive Director of Macquarie Capital (Australia) Limited. He was formerly a Managing Director of Gresham Advisory Partners Limited. Mr Ashforth has advised on a wide range of mergers and acquisitions transactions for Australian and international clients across a wide range of industry sectors. He has extensive experience in transactions across the resources sector.

Mr Ashforth is currently a Director of Castle Minerals Limited.

Mr Evan Cranston – Non-Executive Director

Evan Cranston is a corporate lawyer with over 7 years' experience specialising in corporate and mining law. Evan holds a Bachelor of Commerce and Bachelor of Laws from the University of Western Australia and was admitted as a barrister and solicitor of the Supreme Court of Western Australia.

Mr Cranston is currently the Corporate Director for Ampella Mining Limited where he is responsible for all head office operations, promotion and financing of the company.

He has broad experience in the areas of capital raisings, initial public offerings, tenement acquisition agreements, mineral rights agreements, joint ventures, mergers and acquisitions, corporate governance, the ASX listing rules and the Corporations Act.

Mr Cranston has previously been involved in the formation of several listed and unlisted companies and is also a Non-Executive Director of Carbine Resources Limited.

Mr Brendan Cummins – Non-Executive Director

Brendan Cummins has over 17 years' world wide experience in the mining industry as both a mine and exploration geologist. The majority of his experience has been in exploration geology, resource definition, project evaluation and acquisition having worked on a range of precious metal, base metal and industrial minerals projects throughout Australia and overseas.

Mr Cummins is currently an executive of Westoria Capital and Director of Westoria Resource Investments Ltd, a private mineral resources investment group that sources, evaluates and funds early stage resource projects.

Mr Cummins graduated from the University of Western Australia with First Class Honours in Geology. He is a member of the Society of Economic Geologists (SEG) and the Australian Institute of Geoscientists (MAIG).

Mr Ian Gregory - Company Secretary

Mr Gregory holds a Bachelor of Business from Curtin University and has over 28 years experience in the provision of company secretarial and business administration services in a variety of industries, including exploration, mining, mineral processing, oil and gas, banking, insurance and aquaculture. Ian is a consulting Company Secretary and provides services to a number of listed and private companies.

Before commencing his own consulting service, Mr Gregory was Company Secretary of the Iluka Resources Limited Group for 6 years and prior to that the Company Secretary of IJB Australia Bank Limited, the Australian operations of The Industrial Bank of Japan, for 12 years. He was also a Company Secretary of the Griffin Coal Mining group of companies for 4 years.

Mr Gregory has been the Chairman of the Western Australian Branch Council of the Institute of Chartered Secretaries and Administrators and served on the National Council of that body.

2.2 Senior Management

Mr Patrick Walta – Chief Executive Officer

Patrick Walta graduated from Melbourne University with degrees in Chemical Engineering and Science. He has also completed postgraduate studies, including an MBA and Diploma of Project Management. In addition, Mr Walta is currently completing a Masters in Mineral Economics.

Mr Walta's experience spans both technical and commercial roles within the mining industry including process engineering, project management, resource valuation, competitive intelligence, business development and strategic management.

Mr Walta is a founding Director of the Australian based resources company, Raging Bull Mining Limited.

Mr Walta is a member of the Australian Institute of Company Directors and the West Australian Mining Club.

Details of Mr Walta's executive employment contract are in Section 8.3.

2.3 Corporate Governance

The primary responsibility of the Board is to represent and advance Shareholder's interests and to protect the interests of all stakeholders. To fulfill this role the Board is responsible for the overall corporate governance of the company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The responsibilities of the Board include:

- (a) protection and enhancement of Shareholder value;
- (b) formulation, review and approval of the objectives and strategic direction of the Company;
- (c) approving all significant business transactions including acquisitions, divestments and capital expenditure;
- (d) monitoring the financial performance of the Company by reviewing and approving budgets and monitoring results;
- (e) ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- (f) the identification of significant business risks and ensuring that such risks are adequately managed;
- (g) the review and performance and remuneration of executive directors and key staff;
- (h) the establishment and maintenance of appropriate ethical standards; and
- (i) evaluating and, where appropriate, adopting with or without modification, the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board recognizes the need for the Company to operate with the highest standards of behavior and accountability. Subject to the exceptions outlined below the Company has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations to determine an appropriate system of control and accountability to best fit is business and operations commensurate with these guidelines. Copies of corporate governance policies will be accessible on the Company's website at www.craderesources.com.

As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration.

The Company has complied with each of the Eight Corporate Governance Principles and Recommendations as published by ASX Corporate Governance Council, other than in relation to the matters specified below.

Principle No	Principle	Commentary	Mechanism for Dealing with Non-Compliance
1	Lay Solid Foundations for Management and Oversight	<p>The Company complies with this Principle.</p> <p>The Company has a policy for the evaluation of the Board and Senior Executives Evaluation Policy.</p> <p>A policy on matters reserved for the Board is outlined in this Prospectus and is available on the Company's website.</p> <p>The Company also has a Board Charter which will be available for review on the Company's website.</p>	Not applicable
2	Structure the Board to Add Value	<p>The Company does not comply with recommendation 2.4, specifically:</p> <p>The Board should establish a Nomination Committee.</p> <p>Given the Company's size, it is not considered necessary to have a separate Nomination Committee.</p> <p>In addition to the above, the following information is provided:</p> <p>The skills, experience and expertise of each of the Company's directors are set out in Section 2.1 of this Prospectus.</p> <p>If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his office as a director, then provided the director must first obtain approval for incurring such expense from the Chairman the Company will pay the reasonable expenses associated with obtaining such advice.</p>	<p>The Board, in consultation with external advisers where required, undertakes this role.</p> <p>A separate policy for <i>Selection and Appointment of New Directors</i> has been adopted by the Board which provides for the proper assessment of prospective directors and include, but are not limited to, their relevant experience and achievements, compatibility with other Board members, credibility within the Company's scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities.</p>

Principle No	Principle	Commentary	Mechanism for Dealing with Non-Compliance
3	Promote Ethical and Responsible Decision Making	<p>The Company complies with this Principle.</p> <p>The Company's Securities Trading Policy is available on the Company's website.</p>	Not applicable.
4	Safeguard Integrity in Financial Reporting	<p>The Company does not comply with the following recommendation:</p> <p>The Board should establish and Audit Committee.</p> <p>The Company does not presently have an Audit Committee.</p> <p>The Company has a separate policy for the Selection and Appointment of External Auditors. A copy of this policy is provided on the Company's website.</p>	<p>The Directors are of the view that given the size of the Company, the relatively small number of directors and only two independent directors, it is not practical to have an Audit Committee. The Board undertakes this role.</p> <p>The Board meets on a regular basis and discusses matters normally captured under the terms of reference of an audit committee, being company risk, controls and general and specific financial matters.</p>
5	Make Timely and Balanced Disclosure	The Company complies with this Principle.	Not applicable.
6	Respect the Rights of Shareholders	The Company complies with this Principle.	Not applicable.
7	Recognise and Manage Risk	<p>The Company complies with this Principle.</p> <p>The Board of Directors receive reports in relation to the effectiveness of the Company's management of the Company's material business risks.</p> <p>The Board receives assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration in</p>	Not Applicable.

Principle No	Principle	Commentary	Mechanism for Dealing with Non-Compliance
		<p>relation to section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.</p> <p>The Company also has a separate policy in relation to Risk Management which is available on the Company's website.</p>	
8	Remunerate Fairly and Responsibly	<p>The Company does not comply with the following recommendation:</p> <p>The Board should establish a Remuneration Committee.</p> <p>The Company does not presently have a Remuneration Committee.</p> <p>There is presently no scheme for retirement benefits, other than superannuation for non-executive directors.</p>	<p>The Directors are of the view that given the size of the Company, the relatively small number of directors and the fact that there is only one independent director, it is not practical to have a Remuneration Committee.</p> <p>The Board undertakes this role with the assistance of any external advice which may be required from time to time.</p> <p>The Company has separate policies relating to the remuneration of non-executive directors as opposed to senior executives.</p> <p>These policies provide a basis for distinguishing the type of remuneration which is suitable for the two classes.</p>

3. Details of Offer

3.1 The Offer

This Prospectus invites investors to apply for a total of 12,000,000 Shares at an issue price of \$0.20 for each Share to raise \$2,400,000 (before associated costs). All Shares offered under this Prospectus will rank equally with existing Shares on issue. No Shares will be issued pursuant to this Prospectus until subscription of \$2,400,000 has been achieved. Should the full amount of the Offer not be reached within 4 months after the date of this Prospectus, all application monies will be dealt with in accordance with the Corporations Act. The Company believes the subscription amount provides sufficient working capital to achieve its objectives as set out in this Prospectus. All application monies are payable in full on Application.

3.2 Capital Structure

The capital structure of the Company at the completion of the Offer will be as follows:

	Shares	Options
On issue at the date of this Prospectus	14,500,000 ¹	10,250,000 ²
Acquisition of Projects	1,000,000 ³	-
Offered under this Prospectus	12,000,000 ¹	-
Total securities on issue	27,500,000	10,250,000

Notes

1. Refer to Section 11.1 for rights and obligations attaching to Shares.
2. Exercisable at \$0.20 on or before the date 5 years from the date of grant.
3. Shares are required to be issued on exercise of the Wyloo Option Agreement and Booyeema Option Agreement.

3.3 Objectives of the Offer and Use of Funds

The purpose of the Offer is to raise sufficient funds in order to enable the Company to explore and develop the Projects. Funds raised from the Offer will be utilised as follows:

	Year 1 \$	Year 2 \$	Total \$
Funds on hand at date of this Prospectus			219,889
Offer funds raised			2,400,000
Total funds available			2,619,889
Exploration and development expenditure ¹	565,575	842,159	1,407,734
Net administration expenses	353,060	377,098	730,158
Expenses of the Offer	143,370	0	143,370
Tenements acquisition costs ²	40,000	0	40,000
Business Development	120,000	126,000	246,000
Working capital ³	26,314	26,313	52,627

Total funds allocated	1,248,319	1,371,570	2,619,889
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Notes

1. Refer Section 1.3.
2. Tenement acquisition costs comprise the acquisition fees payable in relation to the Options the Company has secured to acquire its tenements. The total acquisition fees payable is \$50,001, of which \$10,001 has already been paid.
3. Unallocated working capital will be utilised by the Company to consider other opportunities within the mineral resources sector, to pay for unbudgeted or additional exploration expenditure and in the administration of the Company.

Actual expenditure may differ significantly from the above estimates due to a number of factors including market conditions, the development of new opportunities, the results obtained from exploration and other factors (including the risk factors outlined in Section 9). The consideration of new opportunities may result in the Company expending funds on due diligence or other acquisition costs which may not be recouped through the ultimate acquisition and/or development of the investment opportunity under consideration.

The Company proposes to actively pursue further acquisitions which complement its existing focus. If and when a viable investment opportunity is identified, the Board may elect to acquire or exploit such opportunity by way of acquisition, joint-venture or earn-in arrangement which may involve the payment of consideration in cash, equity or a combination of both.

The Directors believe that the Company will have sufficient working capital to meet its immediate business obligations, as set out in the above table, upon completion of the Offer.

3.4 Forecasts

The Company is a mineral exploration company. Due to the speculative nature of exploration, there are significant uncertainties associated with forecasting future revenues from the Company's proposed activities.

The Directors believe that given these inherent uncertainties, it is not possible to include a reliable forecast in this Prospectus.

Section 1 includes information in relation to the Company's activities.

3.5 Minimum Application under Offer

Applications under the Offer must be for a minimum of 10,000 Shares (\$2,000) and thereafter in multiples of 1,000 Shares (\$200). Applications to subscribe for Shares under the Offer will only be accepted on an Application Form attached to this Prospectus.

3.6 Minimum Subscription

There is no minimum subscription. The full amount of the Offer (\$2,400,000) must be raised prior to the Offer proceeding.

None of the Shares offered by this Prospectus will be issued if Applications are not received for 12,000,000 Shares. Should Applications for 12,000,000 Shares not be received within 4 months from the date of this Prospectus, the Company will either

repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and Application Monies will be repaid (without interest).

3.7 Brokers

Brokerage and/or handling fees on Applications for Shares will be payable to member firms of ASX or licensed investment advisers on such Application Forms bearing their stamp and accepted by the Company.

3.8 How to Apply

If you wish to invest in the Company, complete the Application Form attached to this Prospectus. Alternatively, complete a paper copy of the electronic Application Form which accompanies the electronic version of the Prospectus which can be found and downloaded from www.cradleresources.com.au. Completed Application Forms should be returned to the Company, together with the Application Monies in full, prior to 5.00pm (WST) on the Closing Date.

Completed Application Forms and Application Monies should be returned to the Company as follows:

By Post To:	Or Delivered To:
Cradle Resources Limited C/- Security Transfer Registrars Pty Ltd PO Box 535 APPLECROSS WA 6953	Cradle Resources Limited C/- Security Transfer Registrars Pty Ltd 770 Canning Highway APPLECROSS WA 6153

Refer to the instructions on the back of the Application Form when completing your Application. Cheques must be made payable to "Cradle Resources Limited – Offer Account" and crossed "Not Negotiable". All cheques must be in Australian currency.

An original completed and lodged Application Form, together with a cheque for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not have to be signed to be a valid Application. An Application will be deemed to have been accepted by the Company upon allotment of the Shares.

The Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offer or accept late Applications.

3.9 Official Quotation

Application for admission of the Company to Official Quotation of the Shares on the Official List will be made within 7 days of the date of this Prospectus.

The fact that ASX may admit the Company to the Official List is not to be taken in any way as an indication of the merits of the Company or the Shares offered by this Prospectus. ASX takes no responsibility for the contents of this Prospectus.

3.10 Allotment

Application Monies will be held in trust for Applicants until allotment of the Shares. Any interest that accrues will be retained by the Company. No allotment of Shares under the Prospectus will occur unless the full amount of the Offer is raised.

The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date.

Shares under the Offer are expected to be allotted on the Allotment Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.

If ASX does not grant permission for Official Quotation within 3 months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest).

3.11 CHESS

The Company will apply to participate in the Clearing House Electronic Sub-register System, operated by ASX Settlement Pty Ltd (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASXS Operating Rules. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's register of Shareholders.

The Company will not issue certificates to Shareholders. Instead, as soon as is practicable after allotment, successful Applicants will receive a holding statement which sets out the number of Shares issued.

A holding statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) (in the case of a holding on the CHESS sub-register) or Shareholder Reference Number (**SRN**) (in the case of a holding on the issuer sponsored sub-register).

Following distribution of these initial holding statements, an updated holding statement will only be provided at the end of any month during which changes occur to the number of Shares held. Security holders may also request statements at any other time (although the Company may charge an administration fee).

3.12 Dividend Policy

The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and the financial performance and position of the Company.

At the date of issue of this Prospectus the Company does not intend to declare or pay any dividends in the immediately foreseeable future.

3.13 Risk Factors of an Investment in the Company

Prospective investors should be aware that an investment in the Company should be considered speculative and involves a number of risks inherent with exploration and project development. Section 9 contains details of key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or independent adviser.

3.14 Overseas Applicants

No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit the public offering of the Shares, in any jurisdiction outside Australia.

The distribution of this Prospectus within jurisdictions outside Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

The Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

3.15 Restricted Securities

Chapter 9 of the Listing Rules prohibits holders of restricted securities from disposing of those securities or an interest in those securities or agreeing to dispose of those securities or an interest in those securities for the relevant restriction periods. The holder is also prohibited from granting a security interest over those securities.

Subject to the Company being quoted to the Official List, certain shares and options on issue prior to the Offer are likely to be classified by ASX as restricted securities and will be required to be held in escrow.

None of the securities issued pursuant to the Offer are expected to be restricted securities.

In accordance with the Listing Rules the Directors expect ASX may classify a number of the Shares on issue at the date of this Prospectus as restricted securities.

3.16 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offer in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of their withdrawal.

3.17 Future Offer of Options

The Company may, at the sole discretion of the Board, undertake a pro rata non-renounceable entitlement issue of Options which all Shareholders registered on the share register of the Company at a record date, determined by the Board, will be entitled to participate. The record date is expected to be within 12 months after Official Quotation.

The future issue of Options may be offered under a prospectus and it is expected to be on the basis of one Option for every two Shares held on the record date (other than Shares held by Shareholders with a registered address outside of Australia or New Zealand). It is expected that the Options will have an issue price of \$0.005 for each Option and will be exercisable at \$0.20 on or before the third anniversary of the date of grant.

3.18 Enquiries

Enquiries relating to this Prospectus, or requests for additional copies of this Prospectus, should be directed to:

The Company Secretary

Telephone: (+61) 8 6143 1869

4. Independent Geologist Report

Independent Geologist's Report

CRADLE RESOURCES LIMITED
Booyeema and Wyloo Projects

Report Prepared by



36 Drew Rd,
Ardross, WA, 6153

Author

Clay Gordon MSc, BSc, MAusIMM, MAIG, Director - Mining Assets Pty Ltd

1 July, 2011

The Directors,
Cradle Resources Limited,
Suite 23, 513 Hay Street,
Subiaco, 6904
Western Australia

Dear Sirs,

Mining Assets Pty Ltd ("Mining Assets") has been commissioned by Cradle Resources Limited ("Cradle") to provide an Independent Geologist's Report on mineral exploration licences to be acquired by Cradle and located in Western Australia. It is understood this Report will be included in a Prospectus to be lodged with the Australian Securities and Investment Commission ("ASIC") on, or about 6 July 2011, offering investors the opportunity to subscribe for 12 million shares at an issue price of 20 cents per share to raise a minimum of \$2.4 million before the costs of the issue ("Prospectus"). The funds raised will be used for exploration and evaluation of the mineral licences.

The Independent Geologist's Report has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports ("The Valmin Code"), which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"), and the rules and guidelines issued by such bodies as ASIC and Australian Securities Exchange ("ASX"), which pertain to Independent Expert's Reports.

Mining Assets has not been requested to provide an Independent Valuation, nor comment on the fairness or reasonableness of any vendor or promoter considerations. Also, the legal status of the tenure of the licences to be acquired by Cradle has not been independently verified by Mining Assets.

This review of the projects was based on information and numerous technical reports prepared by companies, consultants and Government agencies, and other relevant published and unpublished data. In accordance with the Valmin Code, the author considered a visit to the Wyloo and Booyeema projects and determined it was unnecessary due the large number of reports and information available for review and the conceptual status of the targets at Booyeema respectively. It is the author's opinion that a field inspection would not reveal additional material information or data.

A final draft of this report was provided to Cradle, along with a written request to identify any material errors or omissions prior to lodgement.

The mineral licences to be acquired by Cradle are considered to be early-stage or "greenfields" in nature with exploration targeting at the conceptual stage. They are considered inherently speculative in nature, however, subject to varying degrees of exploration risk, they warrant further exploration consistent with the proposed programmes and budget.

Exploration and evaluation programmes summarised in the report amount to a total of \$1.4million. Cradle intends to raise a minimum of \$2.4 million, at least half of which is committed to the exploration, development and administration of the mineral licences, satisfying the requirements of

ASX Listing Rules 1.3.2(b) and 1.3.3(b). Mining Assets also understands that Cradle has sufficient working capital to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3(a).

Cradle has prepared staged exploration and evaluation programmes, specific to the potential of the licences, which are consistent with the budget allocations. Mining Assets considers that the relevant areas have sufficient technical merit to justify the proposed programmes and associated expenditure satisfying the requirements of ASX Listing Rule 1.3.3(a). The proposed exploration budget also exceeds the minimum statutory annual expenditure commitment on the various licences.

The Independent Geologist's Report has been prepared on information available up to and including 30th June 2011.

Mining Assets is a private consultancy firm in operation since 2004 and is involved in the assessment and marketing of mineral properties. This report has been compiled by Managing Director Mr Clay Gordon MSc, BSc who is a professional geologist with 25 years' experience in the industry within Australia and overseas. Mr Gordon is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM") and Australian Institute of Geoscientists ("AIG") and has the appropriate relevant qualifications, experience, competence and independence to be considered an "Expert" under the definitions provided in the Valmin Code and "Competent Persons" as defined in the JORC Code.

Neither Mining Assets, nor the author of this report, have or previously had any material interest in Cradle or the mineral licences in which Cradle has an interest. The relationship with Cradle is solely one of professional association between client and independent consultant. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

Yours faithfully

Clay Gordon
Managing Director
Mining Assets Pty Ltd

1. EXECUTIVE SUMMARY

Cradle Resources is to acquire a 100% interest in two granted Exploration Licences located in the northwest of Western Australia. These licenses cover approximately 350 square kilometres (km²) within the Pilbara geological province. Exploration targeting is generally conceptual in nature however, the licences are considered to be sufficiently prospective for nickel, copper and iron-ore, subject to varying degrees of exploration risk, to warrant further exploration and assessment of their economic potential, consistent with the proposed programmes.

Cradle Resources projects are located within the Archaean Pilbara Craton, which has many similarities to other globally significant cratons such as the Yilgarn Craton, the Kaapvaal and Zimbabwe Cratons in Southern Africa, and the Superior Craton of the Canadian Shield that host significant mineral deposits. The Pilbara has a long history of mine development, infrastructure and exploration.

The Booyeema licence occurs mostly within the Kylena Formation mafic volcanics (a member of the Hamersley Basin's Fortescue Group) and is considered prospective for basement-hosted massive sulphides with potential for elevated levels of nickel, copper and other base metals. Exploration targets are conceptual and at an early stage (i.e. they are considered "greenfields") being based primarily of geophysical anomalies.

The Wyloo license straddles the boundary of the Hamersley and Ashburton Basins. Iron formations are known to outcrop within the tenement and represent an iron-ore opportunity. However, historical searches have failed to locate significant exploration programs associated with the targeting of primary and/or secondary iron enrichment. Instead, work completed by previous explorers over the past 50 years appears to have focussed on gold and base metals.

Cradle has prepared a 2-year staged exploration plan, with a \$1.4 million budget, which is sufficient to complete the necessary exploration surveys required to undertake data compilation, evaluation and commence on-ground activities.

Exploration surveys and associated activities to be completed include: geological mapping, regional and property-scale geochemical sampling, plus regional and property-scale geophysical surveys.

Exploration will be strongly results-driven and therefore subject to change as initial results are received and evaluated. Mining Assets believes the exploration strategy and budget proposed by Cradle Resources is reasonable to increase geological understanding and delineate areas for further investigation and drilling.

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2.0 INTRODUCTION

The projects comprise two properties located within the Pilbara Craton in the northwest of Western Australia. The Booyeema project has had little exploration undertaken and represents a greenfields opportunity to validate and drill test conceptual targets. At Wyloo the recently granted exploration license has a long history of base metal and gold exploration but there has not been significant iron-ore exploration in recent years that could test new exploration models. The location of the projects is presented in **Figure 1**.

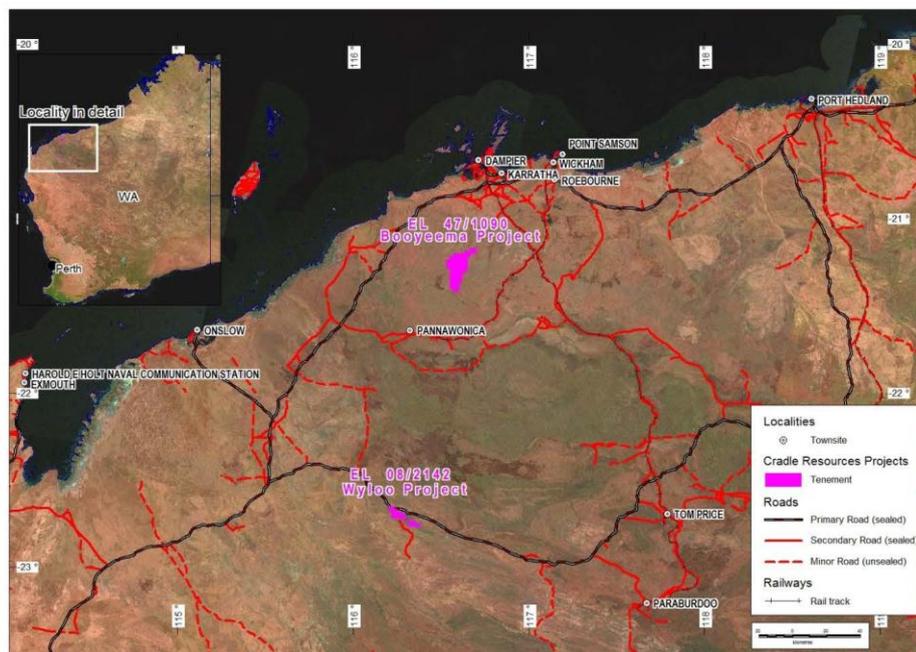


Figure 1. Cradle Resources projects location map.

2.1 Agreements and Tenure

Booyeema Licence EL 47/1090 is currently held 100% by Helix Resources Ltd (“Helix”). Cradle has entered into an exclusive and binding purchase agreement with Helix to acquire 100% of the project by issuing 200,000 fully paid ordinary shares in Cradle to Helix upon Cradle listing on the ASX.

Wyloo License EL 08/2142 is currently held by Ilmenite Resources Pty Ltd (“Ilmenite”). Cradle has entered into an exclusive and binding option and purchase agreement to acquire 100% of the project by paying \$10,000 cash upon execution of the agreement and issuing 800,000 fully paid ordinary shares and an additional \$40,000 cash payment upon Cradle listing on the Australian Stock Exchange.

3.1 North Pilbara Terrane

Three separate terranes are recognised within the North Pilbara Craton with unique stratigraphy, geochronological, and structural histories;

1. East Pilbara granite-greenstone terrane (EPGGT) of age 3.72 to 2.85 Ga,
2. West Pilbara granite-greenstone terrane (WPGGT) of age 3.27 to 2.92 Ga, and
3. Kuranna terrane (KT) of age ≤ 3.29 Ga

These three terranes are separated by two late, dominantly clastic sedimentary basins deposited within tectonically active zones; the Mallina basin (MB) in the west and the Mosquito Creek basin (MCB) in the east. The Sholl shear zone (SSZ) forms a significant structural break within the WPGGT (*see Figure 3*).

In general, the North Pilbara is dominated by large domal granites intruding an older succession of greenstones consisting of metamorphosed basaltic, ultramafic and felsic volcanoclastic units. These units are commonly overlain and interbedded with clastic sediments consisting of chert, siltstone, sandstone and minor banded iron formations (BIF).

Typically these granites, which include monzogranite, syenogranite, granodiorite and migmatite, have formed domes approximating anticlines whilst the greenstone belts form thin strongly attenuated synclines between the granites.

The tectonic history is varied. The EPGGT was most likely derived from plume related rifting accompanied with granitoid intrusion and associated deformation followed by a period of stability. While the WPGGT is more likely associated with conventional microplate tectonics including bimodal volcanism related to a rift or island arc setting. The Mallina basin and Whim Creek greenstone belt appear to be related to an arc setting.

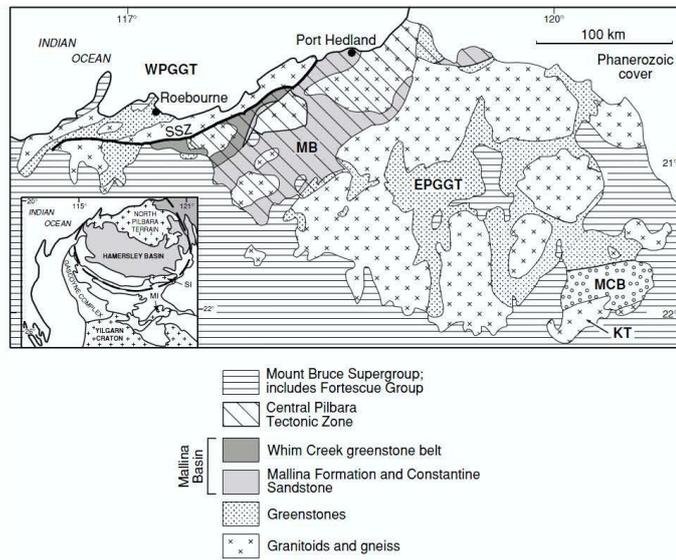


Figure 3. Simplified geologic map of the North Pilbara Terrane and the overlying Hamersley Basin.

3.2 Hamersley Basin

The Hamersley Basin unconformably overlies the North Pilbara Terrane and is subdivided into the Fortescue (oldest), Hamersley and Turee Creek Groups (youngest) which are collectively part of the Mt Bruce Supergroup (see Figure 4 and 5). The age of the basin sequence is ca 2.35 to 2.8 Ga.

The Fortescue Group is 3.5 to 6km thick and unconformably overlies the North Pilbara Terrane and consequently outcrops on the northern margins of the Hamersley Basin. It comprises mafic lavas (including the Kylena Basalt), and subordinate mafic to felsic tuff, intrusive igneous rocks and siliciclastic and carbonate sedimentary rocks.

The Hamersley Group outcrops in the southern and central portions of the basin and comprises five major BIFs interbedded with mudstone, carbonate and fine grained tuff. It has a combined thickness of 2.5km with another 1km of mafic sills and igneous rocks. Significant Iron-ore mineralisation is hosted by the Marra Mamba (230m thick) and Brockman Iron Formations (620m thick). The iron formations are known to host more than 25bt of >55% Fe across the Hamersley Basin.

The youngest Turee Creek Group has a scattered distribution across the southern margins of the basin and has a maximum thickness of 4 km. The lower half comprises mudstone, siltstone, sandstone and the upper half comprises sandstone, conglomerate, sedimentary carbonate and basalt

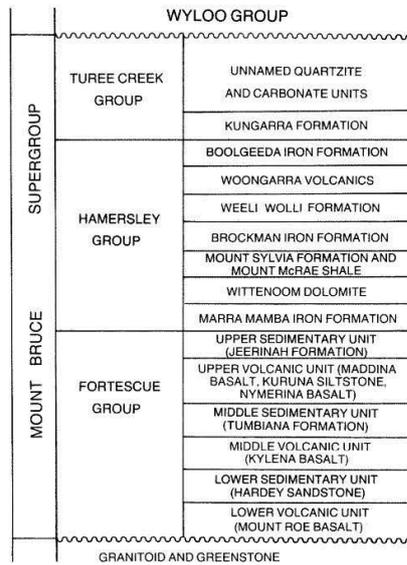


Figure 4. Detailed stratigraphy of the Mt Bruce Supergroup

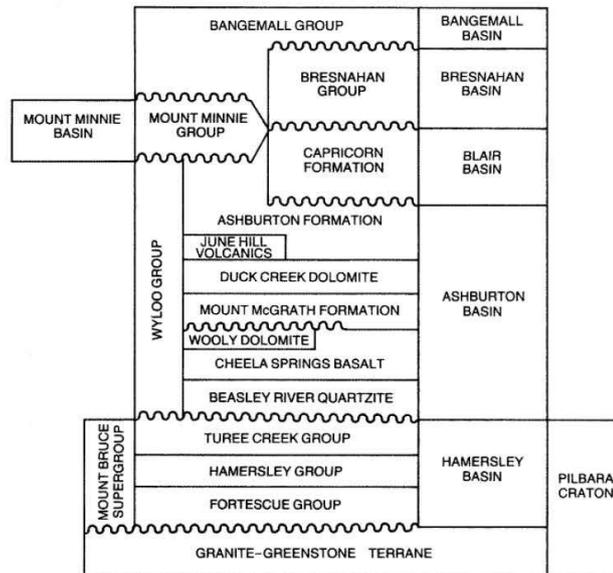


Figure 5. Stratigraphy of the Pilbara Craton including the granite –greenstone terrane, overlying Hamersley Basin and overlapping Ashburton Basin

3.3 Ashburton Basin

The Ashburton Basin unconformably overlies the Hamersley Basin on its southerly and south western margin. Wyloo group sequences form the Ashburton Basin which has a lower succession of quartzite, basalt and sedimentary carbonate separated by an unconformity with upper conglomerate, sandstone, platform carbonates and a thick monotonous sequence of mudstone and sandstones (see Figure 5).

The structural development of the Pilbara craton and overlying Hamersley and Ashburton Basins covers a time period from the Archaean to meso-Proterozoic. Polyphase deformation characterises the Hamersley Province. The main compressional and extensional tectonic events are portrayed in Figure 6

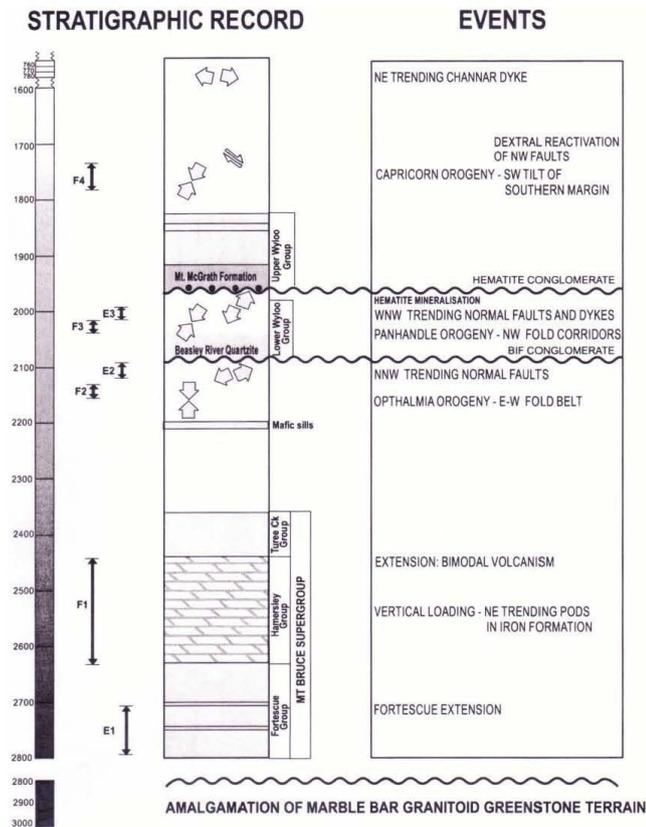


Figure 6. Tectonostratigraphic framework of the Pilbara Craton, Hamersley and Ashburton Basins.

4.0 BOOYEEMA LICENSE

4.1 Location, Access & Geography

The Booyeema project is located approximately 50-65km south-southwest of Karratha and approximately 1,600km north of Perth. Karratha has a population of around 14,000 and is a regional hub servicing the major offshore gas platforms and iron-ore producers of the Pilbara with well developed infrastructure and port facilities.

Access to Booyeema is via station tracks (Cheratta Station) and the sealed Northwest Coastal Highway. Access beyond the station tracks is only possible by 4WD, quad motorbike or by helicopter.

Internal access tracks at Booyeema are only accessible in dry weather as the area is subject to flash flooding during the wet season.

The license area is dominated by steeply incised rocky hills composed of the Kylena Volcanics of the Fortescue Group. Vegetation in these areas is dominated by spinifex grass. Vegetation along the creek systems comprises several different species of eucalypt, acacia, tea-tree and herbaceous plants. Most of the larger creek systems contain semi-permanent waterholes.

The climate is sub-tropical with rainfall of between 350 – 500mm per year, falling mostly in the summer months and up until April. The temperature ranges from 22° - 25° Celsius during the dry winter months to 45°C in the humid summer. The area is frequently affected by tropical cyclones during the November to April cyclone season.

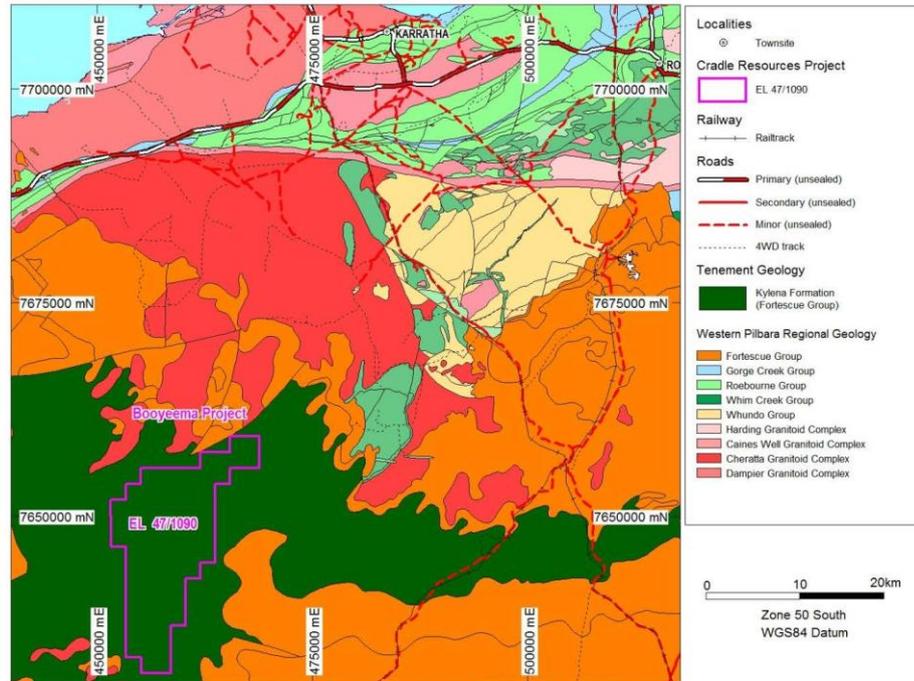


Figure 7. Booyeema project local geology.

4.2 Local Geology and Structure

Rocks of the Kylena Formation (part of the Fortescue Group) include massive and amygdaloidal basalt, basaltic andesite, andesite, dacite, and rhyolite; local high-Mg basalt (Figure 7).

The Kylena Formation contains fine to medium grained basalt to amygdaloidal basalt with minor, discontinuous quartzite horizons noted in drilling. Minor outcrops of Tumbiana Formation comprised of volcanoclastic sandstone, tuff and carbonates occur overlying the Kylena Formation.

Regolith consists of small areas of preserved Cainozoic saprolite which represents remnants of previous stable weathering surfaces. Quaternary colluvium and alluvium is located proximal to and within drainage lines.

The Hamersley Basin succession at Booyeema is deformed by structures related to c. 2770–2700 Ma northeasterly trending rifting and open folding, and by c. 1830–1780 Ma northwesterly trending open folds on the northern margin of the Capricorn Orogen. Interpretation of geophysical data suggests that the dominant post Fortescue Group faulting has a broadly northwest trend associated with the Ophthalmian Orogeny, a trend which controls some of the modern drainage orientations.

4.3 Mineralisation

No significant occurrences of precious or base metals have been reported within E 47/1090. Disseminated sulphide, typically pyrrhotite within the Kylene Formation mafic volcanics has been previously observed within the tenement area but has not been found to be associated with any mineralisation.

4.4 Previous Exploration

No exploration had been carried out over the property prior to Helix Resources in 2007. Most of the exploration in the region was focused on Munni Munni style platinum, palladium, copper and nickel mineralisation located to the northeast.

Helix Resources

Tenement E47/1090 was initially applied for by Helix in 2000 as part of the Company's Munni Munni Platinum Group Metal Project looking for mafic-ultramafic intrusions with associated Au, Cu, Ni, Co and PGE mineralisation.

In July 2003, diamond explorer De Beers Exploration Australia Ltd entered into a Joint Venture with Helix targeting diamonds on the license. De Beers carried out regional stream sampling and infill sampling where positive diamond indicators were returned. They also completed the acquisition of airborne hyperspectral data for the tenement.

During early 2005, De Beers collected a small geochemical soil sample at each sample site for Helix to assay for a suite of precious and base metals. Anomalous precious and base metal results were returned and Helix set about identifying suitable mineralisation models and designing a program to test potential targets.

In the latter part of 2005 the De Beers JV was terminated when they decided to cease active exploration in Australia. De Beers did not meet their earn-in commitment under the joint venture agreement and the project was returned 100% to Helix.

Since 2006, Helix has compiled all available information for the tenement, re-processed the De Beers hyperspectral dataset, completed aeromagnetic and radiometric surveys and introduced Anglo American to the Project.

Tenement E47/1090 was granted in 2007 and Anglo American Exploration Australia Pty Ltd completed a VTEM Survey over the area of anomalous magnetic response to test for possible conductors in the basement that could be associated with massive sulphide conductors. Prior to modelling and evaluation of potential EM targets Anglo American Exploration Australia Pty Ltd terminated the joint venture.

Helix commissioned consultants to assess the VTEM data for potential targets. Several targets were identified with several conductors considered worthy of follow-up exploration.

4.5 Exploration Potential

4.5.1 Target Models

The Booyeema Project is interpreted from geophysics to lie on the projected southwest trending structural extension of the Central Pilbara Tectonic Zone (CPTZ – refer to *Figure 3*) which has been overlain with younger Fortescue Group volcanics. The Mallina Basin and Sisters Supersuites host the majority of the larger deposits associated with large layered mafic-ultramafic intrusions within the CPTZ. Several examples of such deposits are as follows:

1. Volcanic hosted massive sulphides of Whim Creek, Salt Creek and Turner River
2. Epigenetic base metals of Mons Cupri and Comstock
3. Layered mafic intrusion hosted vanadium and titanium of Andover and Balla Balla
4. Layered mafic intrusion hosted nickel – copper-platinum and palladium of Radio Hill, Munni Munni, Mount Sholl and Three Kings.

The exploration concept to be tested involves geophysical targets below the Fortescue Groups units into potentially concealed mafic-ultramafic layered intrusions.

Similarly, the Scholl Terrane may also project below the Fortescue Group rocks within the Booyeema project, hence providing another target for base metal mineralisation. The targets would include Whundo, Whundo West and Yannery-type, volcanic-hosted massive sulphides containing zinc, copper, silver and gold. The deposits are known to have shallow to moderate dips and plunges. The presence of pyrrhotite, pyrite and chalcopyrite would indicate that this style mineralisation could produce a chargeable EM anomaly (*Figure 8*).

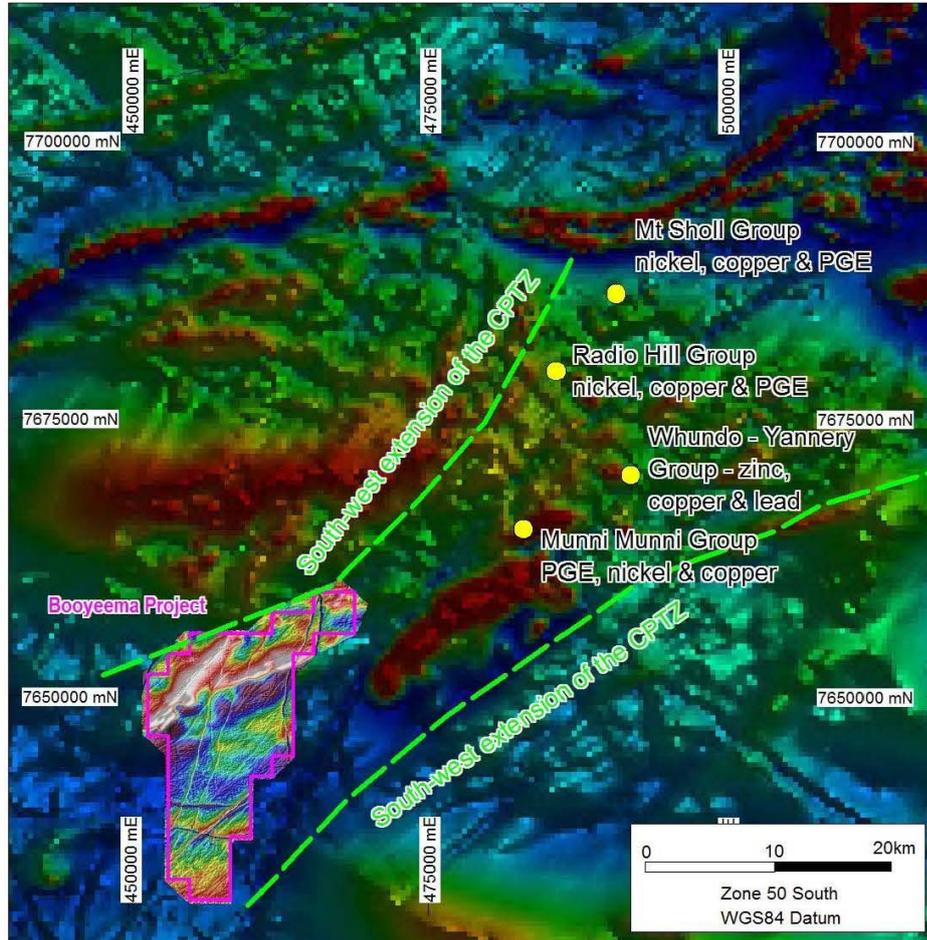


Figure 8. Booyeema project interpreted greenstones and basins.

4.5.2 VTEM exploration targets

Helix contracted Southern Geoscience Consultants (SGC) in mid 2009 to model the VTEM data and identify any possible conductive targets. SGC identified 5 EM targets as possible drill targets for further consideration which are presented in Table 2 and *Figure 9*.

Target	MGAE	MGAN	RL	Dip	Strike	Plunge	Depth Extent	Strike Length	Conductance
Bratwurst	457495	7654720	-5 m	15° SE	50°	10° SW	550 m	1100 m	55 Siemens
Chipolata	457580	7654300	-150	50° SE	700	0	200 m	700 m	300 Siemens
Chorizo	453555	7647970	-13 m	14°	50°	0° SW	160 m	300 m	13 Siemens
Cumberland	457780	7649765	-185 m	2° NW	~45°	0	850 m	1000 m	40 Siemens
Pepperoni	458065	7654010	55 m	37° SW	~60°	20° SW	400 m	450 m	35 Siemens

Table 2. EM target locations

4.5.3 Exploration Strategy

The strategy is to validate and rank the geophysical anomalies prior to drilling. Specifically, the VTEM targets require further geophysical interrogation and on-the-ground evaluation involving mapping and the completion of ground EM. Surface mapping may provide some indications of structural setting and assist in targeting future drill holes. Significant earthworks are also required to access the property to undertake any further on-the-ground exploration. The design of these access tracks would be facilitated with a detailed digital terrain model and aerial satellite photography. Alternatively, helicopter supported drilling maybe required if overland access becomes too difficult and costly.

Once suitable targets have been established it is proposed that RC and or diamond drilling will be the most appropriate technique to test the validity of the models. DHEM would also be required to delineate the extents and orientations of in-hole and potential off-hole conductors.

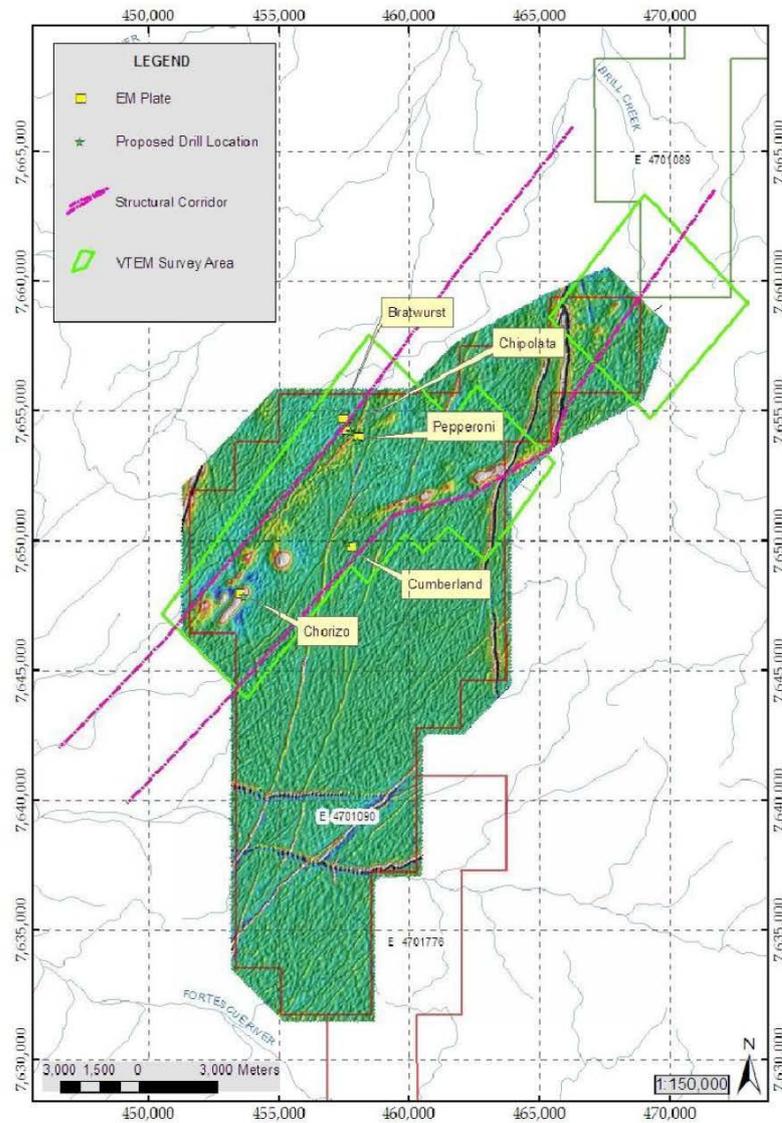


Figure 9. Booyeema project VTEM conductive targets aerial magnetics.

5.0 WYLOO LICENSE

5.1 Location, Access & Geography

Wyloo is located approximately 180 kilometres west-northwest of the Paraburdoo townsite that was built to service the Paraburdoo iron-ore mine currently owned by Rio Tinto. The tenement is easily accessible from the Paraburdoo–Nanutarra sealed road which passes to the north of the lease. Access within the tenement is via tracks within the pastoral lease of Wyloo Station.

The project area is dominated by a central northwest trending ridge with undulating plains to the north and south. The highest point in the region is Mt De Courcy with an elevation of 485m.

The area is arid to semi-arid with average annual rainfall of approximately 290mm. The vegetation is dominated by spinifex grassland with scattered trees and shrubs or tall shrubland with wattle and tea tree. Larger eucalypts are restricted primarily to the main drainages.

5.2 Local Geology and Structure

The Wyloo project is located on the southern limb of the Wyloo Dome, a northwest trending, regional doubly-plunging antiform exposing Archaean granite and greenstones of the Pilbara Supergroup in its core. The domal core is overlain by rocks of the Late Archaean to Early Proterozoic Mount Bruce Supergroup (Hamersley Basin) and Early Proterozoic Wyloo Group (Ashburton Basin) on its limbs (*see Figure 10*).

Within the tenement boundaries the upper Fortescue Group volcanics are exposed on the northern half of the tenements trending in a north westerly direction. These include the Boongal, Pyradie and Bunjah Formations overlain by the Jeerinah. They are conformably overlain by Hamersley Group sediments which are mostly absent except for a section of the Marra Mamba Iron Formation that is unconformably overlain by rocks from the Lower Wyloo Group. These include the Beasley River Quartzite, Cheela Springs Basalt, and patches of Woolly Dolomite. The Turee Creek Group is absent, which is most likely due to high levels of erosion during tectonic activity. Upper Wyloo Group sediments include the Mt McGrath Formation, Duck Creek Dolomite and Ashburton Formation of the adjacent Ashburton Basin. The June Hill Volcanics are absent.

Polyphase deformation characterises the structural geology of the southern Wyloo Dome area. Five deformation events are recognised and are correlated to regional events that affected the Pilbara region during the late Archaean to Early Proterozoic. Early extension produced northeast-trending pods confined to mainly the lower Hamersley Group BIF. These pods are folded by well developed east-southeast trending folding which is correlated to the Ophthalmia Fold Belt and regional burial metamorphism at about 2200 Ma (± 100 Ma). Crustal extension is inferred to have followed and is preserved as west-northwest to northwest trending dolerite dykes. Northwest trending folds have nucleated on the margins of these dykes and are related to deformation of the Ashburton Basin at 1600 Ma. A later dextral wrench system between the Hamersley and Ashburton Basins is thought to be the last major tectonic event represented as northwest-southeast trending dextral duplex structure named the Paraburdoo Hinge zone at Wyloo.

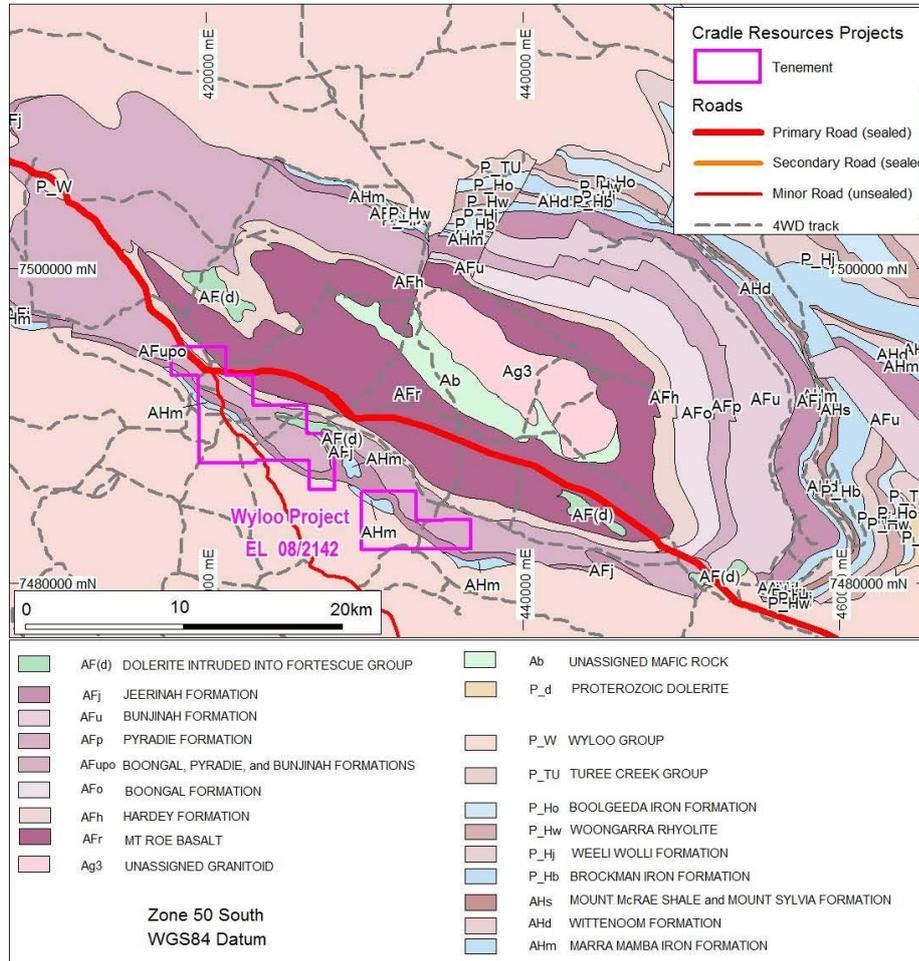


Figure 10. Wyloo project local geology.

5.3 Mineralisation

Known mineralisation within the tenement boundaries includes gold at the Monster Lode prospect. Mineralisation at Monster Lode is hosted in iron-rich units of the Marra Mamba Iron Formation. Quartz veins strike parallel to bedding (north-northwest) with strike lengths of several hundred metres. Partially oxidised arsenopyrite has been noted in vughs within the veins.

Within the broader region of the Wyloo project the other notable gold occurrences include the operating Pausens Mine, Belvedere and Mt Clement. Within the Ashburton formation to the southeast, lead and silver mineralisation has been noted at the Kooline, Silent Sisters and Aerial prospects.

Several other gold, antimony and arsenic related geochemical anomalies have been identified by past explorers but these have failed to yield any significant results.

There has been limited successful exploration for iron-ore and there are no known iron-ore prospects within the Wyloo project.

5.4 Previous Exploration

A comprehensive search was undertaken using the WAMEX system maintained by the Department of Industry and Resources (DOIR). The WAMEX system is an archival repository of statutory historic exploration reports lodged with DOIR and is accessed from the Internet. The following represents a summary of the companies and their exploration within the boundaries of the Wyloo project.

Westfield Minerals NL (1966)

Under Temporary Reserve 2724 H, Westfield was targeting copper, lead and silver along the southern and central regions of the Wyloo Dome. Their historical project outline only covers the eastern portion of the Cradle's Wyloo license. During the year they followed up previous exploration at the Belfry or Belvedere copper workings and the Aerial lead workings completing stream and soils surveys followed up by drill programs predominately at Aerial (40 percussion holes). No significant results were returned and the claim was surrendered.

Kennecott Exploration Australia Pty Ltd (1968)

Kennecott completed reconnaissance geological mapping, soil, rock chip and stream sediment sampling over Temporary Reserves 4502 covering approximately 2 590km². The Reserves covered 50% of the western side of the western Wyloo licenses. They were exploring for base metals, collected 350 geochemical samples and examined 13 base metal occurrences mainly within the Ashburton Basin. It was reported that no significant commercial size base metal occurrences were discovered but Kennecott proposed that the Duck Creek dolomite has the potential to host stratiform lead/silver mineralisation. The Reserves were relinquished in 1968

Placer Prospecting Australia Pty Ltd (1968)

Placer held Temporary Reserve 4344 H for one year and relinquished the property in 1968. The Reserve covered 100% of the eastern Wyloo license but focussed mainly on the copper prospects such as Belvedere within the central Wyloo dome beyond the Wyloo Projects boundaries. Placer carried out photogeological mapping, detailed mapping, stream sediment soils and rockchip sampling and also drilled two diamond drill holes at Belvedere. They reported the area lacked potential for base metal resources of economic size. The mapping they completed identified either Brockman or Marra Mambe BIF within the current Wyloo exploration license.

ASARCO Australia Ltd (1971)

ASARCO lodged a number of Mineral Claims over the northern areas of the Wyloo project specifically targeting the volcanics of the Fortescue group looking for copper, lead and zinc. They collected a number of stream sediment samples followed by rockchip traverse samples with basic field mapping

but determined the area was not prospective. ASARCO subsequently relinquished the ground after an intensive two month field investigation.

AMAX Exploration Aust Inc (1972-1973)

AMAX held a Temporary Reserve over the eastern half of the Wyloo project and investigated the potential of the Hamersley Group rocks to contain iron-ore mineralisation. The work program concentrated on a detailed photogeological phase followed by on-the-ground mapping and data collation. AMAX also complete some petrological studies. They mapped BIF but could not conclusively determine if it was Brockman or Boolgeeda Iron Formations. After much discussion and interpretation they tentatively assigned it to the Boolgeeda Iron Formation.

A thin hematite band was located on Mt De Courcy and duricrust deposits including canga-style Iron-ore mineralisation were noted above BIF to the southeast of the Wyloo licenses. Samples taken at this locality ranged 60.9 – 65.2% Fe, 1.0 to 2.6% SiO₂ and 0.02 to 0.08% phosphorus. In addition isolated remnants of lithified colluvium and valley fill were mapped south of Mt De Courcy which AMAX suggested may contain canga or pisolite accumulations within the Wyloo project boundaries. They concluded the Reserve had a low chance of hosting significant iron-ore mineralisation and surrendered the ground.

Russgar Minerals NL (1973)

Russgar Minerals in Joint Venture with ESSO Australia explored Temporary Reserve 5780 H with an area of 200km². The Reserve partly covers the northwestern portion of the Wyloo Project. The company was targeting uranium after reviewing the regional gravity and geology in conjunction with the knowledge of uranium occurrences at Stockyard Creek located to the east-southeast. Russgar completed a radiometric survey and collected 15 rock chip samples and they were disappointed with the lack of radiometric response from the survey or uranium from the rock chip samples. However, the rockchip assays suggested elevated zinc and the results justified further semi-regional exploration but they never followed this up.

Prospectors Brindal, Rose & Stubbs (1969)

Three prospectors lodged Temporary Reserve 4034 H that covered the Hamersley Group iron formations on the western portion of the Wyloo project. They concluded that the iron formations may represent thinned units of the Brockman Iron Formation or Boolgeeda or Marra Mamba. They completed surface mapping and identified a number iron-rich formations with moderate associated silica. The best iron formation was described as Locality C which is coincident with the Monster Lode gold prospect. It was estimated the iron-rich bed was 1.2m wide and could traced over 4.8km with very high iron content but no analysis was completed. They concluded that due to the lack of thickness to the outcrops of iron formation the reserve held little chance or hosting iron-ore mineralisation with economic potential.

Austamax -Shell (Billiton Metals) Joint Venture (1985 - 1989)

This project comprised EL 08/100 that formed part of a large joint venture agreement between Austamax and Shell along the contact zone between the Hamersley and Lower Proterozoic

Ashburton Basins. As such EL 08/100 covered the southern margin of the Wyloo Dome and a large central portion of the current Wyloo license. The venture was managed by Shell who was targeting gold within the lower Proterozoic Wyloo group specifically within the Duck Creek Dolomite and Mt McGrath Formation akin to Carlin Style disseminated gold. The exploration programs were comprehensive and initially included regional stream sediment sampling, colour aerial photography, soil sampling and geological mapping and rock chip sampling. As the project matured Shell/Billiton completed infill soil and stream sampling, reprocessed regional aerial magnetics, LANDSAT satellite interpretation, ground magnetics and drilling.

During the final years the management changed from Shell/Billiton to Australian Ores and Minerals (AOM) who flew an aerial multi-spectral scanning (AMSS) survey over EL 08/100 to identify areas of silicification, ferruginisation, clay alteration and structural controls. Prospects identified during this phase included Edith, Wyloo Station and Three Corner Bore. Only the Station grid prospect is located within the Wyloo license and is also proximal to Monster Lode. AOM concluded that no areas of significant mineralisation were detected and they allowed the exploration license to expire.

Newcrest (1992)

Newcrest lodged applications for the EL 08/612 and EL 08/611 with only the former tenement overlapping about 40% of the eastern portion of the current Wyloo license. They completed stream sediment sampling, acquired aerial photography, mapping, rockchip sampling and a POSMAG survey. Newcrest was exploring for gold along the south eastern Wyloo Dome but they only located low priority base metal mineralisation and they relinquished the tenements. None of the prospects they detected during their exploration coincided with the Wyloo license.

Copperfield Gold NL (1994)

Copperfield through EL 08/627 were exploring for gold and base metals primarily within Ashburton formation rock on the south western margin of the Wyloo Dome. The Copperfield license only overlaps the southwest portion of the western Wyloo license. The company completed a stream sediment program and re-evaluated the stream sediment data collect by Billiton during the late 80's. They concluded the moderate to low gold responses close to Monster Lode should be evaluated further but the majority of the tenement should be relinquished. However no further work was reported.

Pelican Resources JV Intrepid Mines (1996 to 2010)

Pelican Resources controlled tenements EL 08/853 and EL 08/854 for 14 years and had several joint venture partners over this time with the last being Intrepid Mines who once owned and operated the Paulsens gold mine. EL 08/853 coincides with the western side, while EL 08/854 coincides with the eastern side of the of the current Wyloo licenses respectively.

Several prospects were generated from the exploration completed by the joint ventures partners on EL 08/853 and they include Highway, Monster Lode, Mt McGrath, Gossan Ridge, De Courcy South, and Escala Blanca. Exploration activities included collection of geochemical samples including various methods of soil sampling (1 835 samples), stream sediment samples (47 samples), rock chip samples

(687 samples) and mapping at various scales. Drilling has been completed at several of the prospects including RAB (49 holes), RC (49 holes) and auger (11 holes). An IP survey was conducted at Gossan Ridge and acquisition of ground based magnetic data occurred. Intrepid concluded that whilst elevated gold grades can be found throughout the tenement no economic gold mineralisation has been identified and as a result the tenement was surrendered.

Several prospects were generated from the exploration completed by the joint ventures partners on EL 08/854 coinciding with the eastern portion of E08/2142 and include Bode, Vesta Delgado, Halley and Dunlop. Exploration activities included collection of geochemical samples including soil sampling, stream sediment samples and rock chip samples for a total of 3 243 samples. Mapping was also completed at various scales over a number of prospects. A total of 22 RC, 41 RAB and 166 Auger holes were also completed but were drilled predominantly outside of the current Wyloo license. Intrepid concluded that weak gold anomalism has been identified in several areas at E08/854 but the overall results have not identified an area with potential for significant gold mineralisation. As a result the area was surrendered.

There are no further records of exploration prior to the E08/2142 being granted to Ilmenite Resources in February 2011.

5.5 Exploration Potential

License E08/2142 has had a history of exploration for gold, copper, lead, zinc and iron-ore. The exploration completed for gold and base metals has been reasonably comprehensive and it has failed to yield any significant prospects with multiple economic drill intersections. However, the exploration for iron-ore has been quite limited and may represent an opportunity to re-evaluate the potential of the license looking for a number of iron-ore mineralisation styles. These would include:

1. Primary iron mineralisation associated with the conversion of magnetite to hematite within the right structural setting. The orientation of the faults and BIF displacements at Wyloo are similar to those at Paraburdoo with the principal difference being the ore at Paraburdoo is hosted in Brockman Iron Formation. Historic company and government mapping is often contradictory suggesting the BIF at Wyloo could be Marra Mamba, Brockman or Boolgeeda. Inevitably due to thinning of the BIF at Wyloo it may be impossible to say with any certainty if the BIF is one formation or the other. In any event the mineralisation maybe outcropping or could be concealed below younger overlying Wyloo Group sediments associated with cross-cutting detachment style faulting.
2. The regional magnetic images suggest a high content of primary magnetite associated with the BIF. These may also form a secondary target but the lack of thickness within the BIF may be tonnage restrictive.
3. Secondary enrichment of re-cemented BIF fragments forming within valleys or as caps located close to the source rocks. These have been identified from historic exploration reports and represent lower grade but potential targets.

- The Mt McGrath Formation was deposited after the main iron mineralisation event of the Pilbara and is known to contain mineralised BIF dominated conglomerate lenses. These may form large enough targets to identify with surface mapping.

Due to the narrow widths of outcropping iron formation, the tonnage potential for iron-ore mineralisation has been considered to be small (*see Figure 11*). However, there has been a lack of drilling and the thickness of BIF below the Wyloo Group sediments is yet to be established.

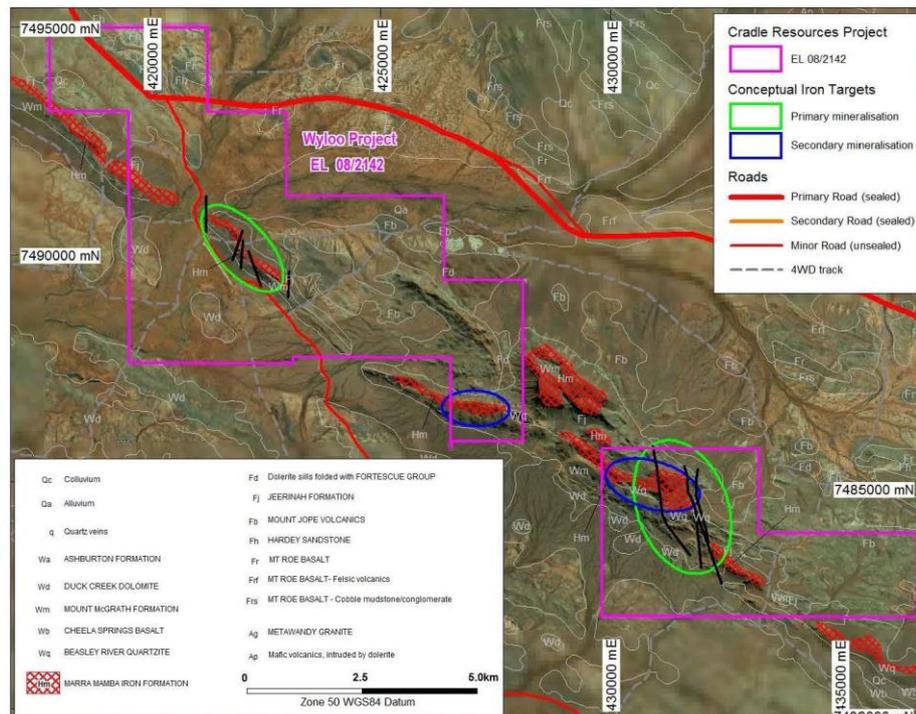


Figure 11. Wyloo project: Iron formations and exploration targets.

5.6 Exploration Strategy

The exploration strategy will be a traditional approach of acquiring satellite imagery and regional aeromagnetic surveys, undertaking reconnaissance mapping and rock-chip sampling. Further detailed aerial magnetic surveys may also be required to delineate de-magnetised zones associated with a typically magnetic BIF suggestive of magnetite to hematite conversion. The information would be compiled as a geological fact map and used for the generation of mineralisation models prior to RC and diamond drilling. Gamma logging would also be used to assist in understanding the stratigraphy of the BIF and potentially resolving its origin.

5 PROGRAMMES AND BUDGETS

The Booyeema and Wyloo licenses represent two contrasting exploration opportunities.

At Booyeema the conceptual exploration targets are based on geophysical modelling which have generated magnetic and conductive targets. The initial investigation and validation of the drill targets will be key prior to follow up drill testing.

At Wyloo the area has been extensively explored for a variety of metals. However, iron-ore exploration using new exploration models has not been applied. These concepts will involve traditional exploration techniques of detailed lithological and structural mapping with geochemistry, integration with magnetic datasets prior to any drill testing.

A two year exploration program is proposed that will follow up previously recommended drill targets and test new exploration concepts as described above. The first year will focus on target validation and gathering the relevant geophysical, geological and geochemical datasets to generate an integrated geological model for both Booyeema and Wyloo. The second year will focus primarily on RC or diamond drilling testing the exploration concepts and following up exploration from targets generated from the first year.

The proposed budget for exploration is \$1.4M over two years but this is contingent on the ongoing success of the exploration programs (see Tables 3 and 4).

Licence	Year 1	Year 2	Total
Booyeema EL 47/1090	\$237,725	\$418,652	\$656,377
Wyloo EL 08/2142	\$327,850	\$423,507	\$751,357
Total			\$1,407,735

Table 3. Proposed exploration budget

Proposed Exploration Budget	Year 1	Year 2	Total
Geological Staffing & Consultants	\$112,000	\$152,000	\$264,000
Ground and Aerial Geophysics	\$118,000	\$57,000	\$175,000
Vehicle Costs	\$21,750	\$37,700	\$59,450
Drilling + drilling support	\$137,500	\$467,535	\$605,035
Drilling Assays	\$26,250	\$31,500	\$57,750
Geochemistry	\$6,475	\$2,625	\$9,100
Field Support	\$127,800	\$78,000	\$205,800
Tenements	\$15,800	\$15,800	\$31,600
Totals incl. Labour	\$565,575	\$842,160	\$1,407,735

Table 4. Combined exploration budget and activities

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7 GLOSSARY OF TECHNICAL TERMS

aeromagnetic	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the earth's magnetic field.
alteration	The change in the mineral composition of a rock, commonly due to hydrothermal activity.
andesite	An intermediate volcanic rock composed of andesine and one or more mafic minerals.

anticline	A fold in which strata are inclined down and away from the axes.
anomalies	An area where exploration has revealed results higher than the local background level.
Archaean	The oldest rocks of the Precambrian era, older than about 2,500 million years.
assayed	The testing and quantification metals of interest within a sample.
Au	Chemical symbol for gold.
auger sampling	A drill sampling method using an auger to penetrate upper horizons and obtain a sample from lower in the hole.
basalt	A volcanic rock of low silica (<55%) and high iron and magnesium composition, composed primarily of plagioclase and pyroxene.
base metal	A noun used for grouping non-ferrous such as copper, lead, nickel and zinc.
basin	An area in which rock strata are inclined downward from all sides towards the center.
BIF	A rock consisting alternating bands of iron oxides and cherty silica, and possessing a marked banded appearance.
carbonate alteration	Alteration of rock by CO ₃ contained in hydrothermal fluids.
chert	Fine grained sedimentary rock composed of cryptocrystalline silica.
clastic	Pertaining to a rock made up of fragments or pebbles (clasts).
clay	A fine-grained, natural, earthy material composed primarily of hydrous aluminium silicates.
conglomerate	A rock type composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water.
Craton	A large stable portion of continental crust.
Co	Chemical symbol for cobalt.
Cu	Chemical symbol for copper.
dacite	An extrusive rock composed mainly of plagioclase, quartz and pyroxene or hornblende or both.
DHEM	An electromagnetic system used to locate conductive sulphide bodies at depth.
diamond drill hole	Mineral exploration hole completed using a diamond set or diamond impregnated bit for retrieving a cylindrical core of rock.

dip	The angle that planar strata or structures make with the horizontal.
dolerite	A medium grained mafic intrusive rock composed mostly of pyroxenes and sodium-calcium feldspar.
dolomite	A carbonate mineral or dolomite-rich rock.
dyke	Sheet of igneous rock which cuts across stratigraphy.
EM	An electromagnetic system used to locate conductive sulphide bodies at depth.
erosion	The group of physical and chemical processes by which earth or rock material is loosened or dissolved and removed from any part of the earth's surface.
fault	A zone of structural dislocation.
Fe	Chemical symbol for iron.
felsic	An adjective indicating that a rock contains abundant feldspar and silica.
fold	A term applied to the bending of strata or a planar feature about an axis.
geochemical	Pertains to the concentration of an element.
geochronology	A system of dating for the purposes of studying the Earth's history.
geophysics	Pertains to the physical properties of a rock mass.
granite	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
granodiorite	A coarse grained igneous rock composed of quartz, feldspar and hornblende and/or biotite.
greenstone belt	A broad term used to describe an elongate belt of rocks that have undergone regional metamorphism to greenschist facies.
igneous	Rocks that have solidified from magma.
intrusions	A body of igneous rock which has forced itself into pre-existing rocks.
isoclinal	A series of folds that dip in the same direction at the same angle.
lava	Molten material or rocks formed by the consolidation of molten material that reaches the earth's surface.
mafic	An adjective indicating that a rock rich in iron and magnesium.

metamorphic	A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids.
meta-sedimentary	A rock formed by metamorphism of sedimentary rocks.
mineralisation	Accumulation of economic minerals.
mudstone	A detrital sedimentary rock consisting of mud-sized particles.
Ni	Chemical symbol for nickel.
outcrop	Surface expression of underlying rocks.
PGE	Platinum Group Elements – platinum, palladium and often gold
plunge	Inclination of geologic structure (e.g. fold) measured from the horizontal.
Proterozoic	An era of geological time spanning the period from 2,500 million years to 570 million years before present.
RC drilling	A drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
regolith	The layer of unconsolidated material which overlies or covers in situ basement rock.
resources	<i>In situ</i> mineral occurrence from which valuable or useful minerals may be recovered.
sandstone	A detrital sedimentary rock consisting of sand-sized particles.
satellite imagery	The images produced by photography of the earth's surface from satellites.
sedimentary	A term describing a rock formed from sediment.
shear	A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress.
silica	Dioxide of silicon, SiO ₂ , usually found as the various forms of quartz.
sill	Sheet of igneous rock which is flat lying or has intruded parallel to stratigraphy.
siltstone	A detrital sedimentary rock consisting of silt-sized particles.
SiO ₂	Chemical formula for silica.
stratigraphy	Composition, sequence and correlation of stratified rocks.
strike	Horizontal direction or trend of a geological structure.

sulphide	A general term to cover minerals containing sulphur and commonly associated with mineralization.
tectonic	Pertaining to the forces involved in or the resulting structures of movement in the earth's crust.
tuff	Consolidated volcanic ash.
ultramafic	Igneous or metamorphic rocks with low silica content and generally > 18% magnesium oxide.
veins	A thin infill of a fissure or crack, commonly bearing quartz.
volcaniclastics	Pertaining to clastic rock containing volcanic material.
volcanics	Formed or derived from a volcano.
VTEM	An electromagnetic system used to locate conductive sulphide bodies at depth.

ASX Listing Rules 1.3.2(b) and 1.3.3(b). Mining Assets also understands that Cradle has sufficient working capital to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3(a).

Cradle has prepared staged exploration and evaluation programmes, specific to the potential of the licences, which are consistent with the budget allocations. Mining Assets considers that the relevant areas have sufficient technical merit to justify the proposed programmes and associated expenditure satisfying the requirements of ASX Listing Rule 1.3.3(a). The proposed exploration budget also exceeds the minimum statutory annual expenditure commitment on the various licences.

The Independent Geologist's Report has been prepared on information available up to and including 30th June 2011.

Mining Assets is a private consultancy firm in operation since 2004 and is involved in the assessment and marketing of mineral properties. This report has been compiled by Managing Director Mr Clay Gordon MSc, BSc who is a professional geologist with 25 years' experience in the industry within Australia and overseas. Mr Gordon is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM") and Australian Institute of Geoscientists ("MAIG") and has the appropriate relevant qualifications, experience, competence and independence to be considered an "Expert" under the definitions provided in the Valmin Code and "Competent Persons" as defined in the JORC Code.

Neither Mining Assets, nor the author of this report, have or previously had any material interest in Cradle or the mineral licences in which Cradle has an interest. The relationship with Cradle is solely one of professional association between client and independent consultant. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

Yours faithfully



Clay Gordon

Managing Director

Mining Assets Pty Ltd

5. Solicitors Report on Mining Tenements

HARDY ♦ BOWEN
LAWYERS

Our Ref: BPH:AJD:110071
Email: bhardcastle@hardybowen.com

15 July 2011

The Directors
Cradle Resources Limited
Suite 23, 53 Hay Street
SUBIACO WA 6008

Dear Sirs

Cradle Resources Limited
Solicitor's Report – Mining Tenements

This report (**Report**) has been prepared for inclusion in a prospectus to be issued by Cradle Resources Limited (**Cradle**) dated on or about 26 July 2011 for the offer of 12,000,000 shares at an issue price of 20 cents each to raise \$2,400,000 (**Prospectus**).

1. **Scope**

We have been requested to report on certain mining tenements (**Tenements**) for which Cradle has acquired an interest through two (2) option agreements (**Option Agreements**) with Helix Resources NL (**Helix**) and Ilmenite Resources Pty Ltd (**Ilmenite**).

The Tenements are located in Western Australia. Details of the Tenements are set out in the Schedule attached to this Report.

This Report covers:

- (a) Summary of material contracts in respect of the Tenements;
- (b) Details of searches made in respect of the Tenements;
- (c) Qualifications and Assumptions;
- (d) General information about mining tenements in Western Australia;
- (e) Overview of native title and cultural heritage issues relevant to the Tenements in Western Australia;
- (f) Aboriginal Heritage; and
- (g) Details of the Tenements set out in the Schedule.

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2. **Opinion**

As a result of our searches and enquiries, subject to the assumptions, qualifications and exceptions set out in this Report, we are of the opinion that:

- (a) the information included in this report is an accurate statement as to the status of the Tenements and the details of the registered holders as at 15 July 2011;
- (b) all applicable rents due under the Mining Act 1978 (WA) (**Mining Act**) in respect of the Tenements have been paid;
- (c) save for the amount under-expended as detailed at 3(b)(i)(A) below, all expenditure requirements in respect of the Tenements under the Mining Act have been complied with;
- (d) the rights to explore and mine the Tenements are subject to the various conditions as noted in section 7 below and in the Schedule;
- (e) all applications for determination of native title which affect the Tenements are noted in this Report and in the Schedule.

3. **Key highlights of the Tenements**

- (a) Key highlights of the Tenements:

The Tenements comprise EL 47/1090 granted 2 October 2007 and expiring 1 October 2012, 100% legally and beneficially owned by Helix (**Helix Tenement**) and EL 08/2142 granted 25 February 2011 and expiring 24 February 2016, 100% legally and beneficially owned by Ilmenite (**Ilmenite Tenement**).

- (b) Points to note on the examination of the files on the Tenements are:

- (i) Helix Tenement:

- (A) the annual expenditure commitment for the current year is \$105,000. For the 2010 year, the expenditure commitment was \$70,000 of which \$52,688 was expended leaving under-expenditure of \$17,312. All other rents are and have been paid in full;
- (B) an exemption application with respect to the under-expenditure was lodged by Helix but was refused and a notice was sent by the Department of Mines and Petroleum on 3 May 2011 for non-compliance with expenditure conditions. An order was made by the Minister on 24 May 2011 that the Helix Tenement be Penalty Imposed in the amount of \$1,731.00. The penalty has been paid in full and the tenement is now in good standing.

- (C) subject to the Heritage Clearance Agreement with the Wong-Goo-To-Oo dated 30 March 2007 (refer to section 4 (c));
 - (D) the grant of the Helix Tenement does not include the land the subject of prior Exploration Licence 47/1074, 47/1075 and land contained within Application for Exploration Licence 47/1068. In the event the prior licences expire, are surrendered or forfeited, that land may be included in the Helix Tenement subject to the requisite application being made; and
 - (E) an application was made to the Department for Planning and Infrastructure (DPI) for a Section 91 Licence under the *Land Administration Act 1997* over 28.1% (6,275.24 Ha) of the Helix Tenement. This action was withdrawn and DPI closed their file on the matter on 15 April 2010.
- (ii) Ilmenite Tenement:
- (A) the annual expenditure commitment is \$20,000. There are no outstanding commitments and all other rents are paid in full;
 - (B) a ballot was conducted in the Karratha Wardens Court on 2 July 2010 in respect of, among other tenements, the Ilmenite Tenement. The Ilmenite Tenement was the first drawn and subsequently first received by Ilmenite.
 - (C) subject to the Native Title and Heritage Agreement with the Puutu Kunti Kurrama & Pinikura Claim Group dated 1 February 2011 (refer to section 4 (d));
 - (D) The Ilmenite Tenement was granted on 25 February 2011. Pursuant to the Mining Act, an entity holding a tenement in the first year since grant is unable to transfer or otherwise deal with that tenement. Accordingly, although Cradle will acquire a beneficial interest in the Ilmenite Tenement (upon exercise of the option), Ilmenite will hold the tenement on trust for Cradle until the legal interest vests in Cradle on 25 February 2012;
 - (E) 6.1% (381.16 Ha) of the Ilmenite Tenement is subject to a historical lease. No details of this lease were able to be obtained as a result of the searches that were undertaken; and
 - (F) 3.2% (199.38 Ha) of the Ilmenite Tenement is private land (as that term is defined in the Mining Act). The grant of the Ilmenite Tenement does not include this land except such land below thirty (30) meters from the natural surface of the land.

4. **Summary of material contracts**

- (a) On 14 June 2011 (as amended on 14 July 2011), Cradle entered into an option agreement with Helix under which Helix agreed to grant Cradle an option to acquire the Helix Tenement. Cradle paid an option fee of \$1.00 with the option exercisable after Cradle receives conditional listing approval from ASX. Consideration payable by Cradle to Helix on exercise is 200,000 fully paid ordinary shares in the capital of Cradle at a deemed issue price of \$0.20 each per share.
- (b) On 9 June 2011 (as amended on 14 July 2011), Cradle entered into an option agreement with Ilmenite under which Ilmenite agreed to grant Cradle an option to acquire the Ilmenite Tenement. Cradle paid an option fee of \$10,000 with the option exercisable after Cradle receives conditional listing approval from ASX. Consideration payable by Cradle to Ilmenite on exercise is \$40,000 and 800,000 fully paid ordinary shares in the capital of Cradle.
- (c) The Helix Tenement is subject to a Heritage Clearance Agreement with the Wong-Goo-To-Oo People (**WGTOP**) (WAG 6256 and WC98/40) dated 30 March 2007. Under the terms of the Agreement, WGTOP agreed to permit Helix to have access to the Helix Tenement in order to conduct exploration activities provided the grant of the Helix Tenement to Helix will not cause damage to an area of cultural importance. Helix is able to assign its rights, title and interest under the Agreement subject to the assignee covenanting to be bound by the terms of the Agreement. Cradle has, through execution of the Option Agreement, agreed that on completion it will comply with the terms and conditions of the Agreement.
- (d) The Ilmenite Tenement is subject to a Native Title and Heritage Agreement dated 1 February 2011 between Ilmenite and the Puutu Kuntj Kurrama & Pinikura Claim Group (**PKKPCG**). Under the terms of the Agreement, PKKPCG has agreed to permitted Ilmenite to have access to the Ilmenite Tenement in order to undertake exploration activities provided that prior to undertaking such activity, Ilmenite serves on the PKKPCG a heritage notice in order to determine whether a heritage survey is required. Exploration activities may be conducted without a heritage survey provided the exploration is low impact. Despite the PKKPCG permitting Ilmenite to have access to the area the subject of the Ilmenite Tenement, nothing in the Agreement derogates from the underlying Native Title rights and interests of the PKKPCG. There are additional obligations placed on Ilmenite in the event that uranium exploration is proposed to be undertaken. These primarily relate to radiation and environmental management. Ilmenite is able to assign its rights, title and interest under the Agreement subject to the assignee covenanting to be bound by the terms of the Agreement. Cradle has, through execution of the Option Agreement, agreed that on completion it will comply with the terms and conditions of the Agreement.

5. Searches

For the purposes of this Report, we have conducted the following searches in respect of the Tenements:

(a) Title searches

Searches of the register maintained by the Western Australian Department of Mines and Petroleum (DMP) pursuant to the Mining Act for the Tenements in Western Australia and a Minerals Titles Online Searches dated 27 June 2011.

(b) Native title searches

(i) Searches of the register of Native Title Claims ('RNTC') maintained by the NNTT provided on 27 June 2011, including extracts from the RNTC.

(ii) Reviewed online 'application summary' at www.nntt.gov.au from a schedule of native title applications maintained by the NNTT in respect of each native title claim not appearing on the RNTC.

(iii) Reviewed online information at www.nntt.gov.au derived from the Register of Indigenous Land Use Agreements maintained by the NNTT under the *Native Title Act 1993 (Cth)* ('NTA' or 'Native Title Act').

(iv) Searches revealed that there are registered Native Title sites within the Tenements, further details of which are set out in section 10.

(c) Aboriginal Heritage searches

(i) Searches of the online register of Aboriginal heritage sites maintained by the Department of Indigenous Affairs ('DIA') in Western Australia to search for any Aboriginal sites on that register established under the *Aboriginal Heritage Act 1972 (WA)* on 20 April 2010.

(ii) Searches reveal that there are registered Aboriginal heritage sites in the areas covered by the Tenements, further details of which are set out in section 11.

(d) Documents and Reports

Information regarding the interests of Helix and Ilmenite in the Tenements and the contracts that they have with other parties in relation to the Tenements was gathered from documents, reports and agreements supplied by Cradle.

6. Qualifications and Assumptions

This Report is based on, and subject to, the following assumptions and qualifications:

(a) We have relied upon information provided by third parties, including various departments, in response to searches made, or caused to be made, and

enquiries by us and have relied upon that information, including the results of searches, being accurate, current and complete as at the date of its receipt by us.

- (b) We have relied upon details of agreements which have been disclosed by Cradle. Those details may not have been fully or accurately disclosed and there may be other agreements of which we are not aware that may materially affect the information in this Report.
- (c) References in the Schedule are taken from details shown on the searches we have obtained from the relevant departments referred to in section 5 above. We have not undertaken independent surveys of the land the subject of the Tenements to verify the accuracy of Tenement areas or the areas of the relevant native title claims.
- (d) Statements made in respect of the standing of the Tenements are based only on the information contained in the relevant search on the instrument of title for the Tenements.
- (e) As far as we are aware there have been no material changes in the standing of the Tenements since the date of our investigations.
- (f) Where compliance with the terms and conditions of the Tenements and all applicable provisions of the mining legislation and regulations in Western Australia and all other relevant legislation and regulations, or a possible claim in relation to the Tenements is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim.
- (g) Native title may exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain what native title claims, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that additional native title claims could be made in the future.
- (h) Aboriginal heritage sites or objects (as defined in the *Aboriginal Heritage Act (WA) 1972* or under the *Aboriginal and Torres Strait Islander Heritage Protection Act (Cth) 1984*) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the Register of Aboriginal Sites established by the *WA Heritage Act* or is the subject of a declaration under the *Commonwealth Heritage Act*. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.
- (i) The information for the material contracts was obtained from agreements supplied by Cradle.

7. **General Information about Prospecting licences, Exploration Licences and Mining Leases in Western Australia applicable to the Tenements**

(a) **Exploration licences**

(i) Licence area

Exploration licences are described by graticular blocks, which range in area from approximately 2.8km² to 3.3km² depending on where the block is located in the State. The holder of an exploration licence is permitted to carry out certain exploratory activities with respect to its area, subject to any conditions imposed on the grant of the licence. Exploration licences may be granted for areas not exceeding 70 blocks unless the Minister has designated areas of the State that may be made the subject of applications for exploration licences up to 200 blocks.

(ii) Duration of licence

An exploration licence applied for on or after the 11 February 2006, remains in force for 5 years and a possibility of renewal by the Minister in certain circumstances for a period of 5 years and then a further period or periods of 2 years.

(iii) Compulsory statutory reduction of licence area

The holder of an exploration licence applied for on or after the 11 February 2006 must lodge a compulsory surrender of 40% of the number of blocks that are the subject of the licence at the end of the 5th year of the term. There are grounds for obtaining a one year deferral from compulsory partial surrender for exploration licences applied for after 11 February 2006.

(iv) Retention Status

The holder of an exploration licence applied for after 11 February 2006 may apply for retention status for the whole or part of the land the subject of the exploration licence which may be approved if there is an identified mineral resource located in the land and mining of that identified mineral resource is impractical for economic or marketing reasons or if there are political, environmental or other difficulties in obtaining requisite approvals. On approval of retention status the holder of an exploration licence may have to comply with a specified programme of work. The Minister may ask the holder of an exploration licence with retention status to show cause why a mining lease or leases should not be applied for over the land.

(v) Right to apply for mining leases

The Mining Act confers on the holder of an exploration licence which is in force, the right to apply for and, subject to the Mining Act, have granted one or more mining leases over any part of the land the

subject of that licence. The Mining Act Amendments will limit the ability to apply for mining leases to instances where the Director, Geological Survey is satisfied that significant mineralisation exists or where a mining proposal has been prepared. Significant mineralisation is defined in the Mining Act Amendments as a deposit of minerals where there is a reasonable prospect of those minerals being obtained by mining operations. A mining proposal is a document which sets out in detail the mining operations proposed to be carried out on the area of the application.

(vi) **First Year of licence**

Under the Mining Act, an exploration licence, or an interest therein, may not, during the first year of the term of the licence, be assigned, transferred, sublet or made the subject of any trust or other dealing, whether directly or indirectly, without the written consent of the Minister, and any such transaction entered into without such consent will be void.

(b) **Mining leases**

(i) **Application for a mining lease**

The holder of an exploration licence has, subject to the Mining Act, the right to apply for and have granted a mining lease over the land the subject of the exploration licence. The grant of mining leases under the Mining Act lies with the Minister on recommendation of the Mining Registrar or Warden. Applications for mining leases are not transferable, except when a mining lease application wholly within the area of the exploration licence, is transferred and the mining lease application then continues in the name of the transferee if the transferee was the applicant.

(ii) **No Assignment**

It is a covenant and condition of a mining lease that the lessee not assign, underlet or part with possession of any part of a mining lease without the prior approval of the Minister or an officer of the relevant department acting on the authority of the Minister.

(iii) **Duration and rights of a mining lease**

A mining lease remains in force for up to 21 years from the date of grant. The maximum area over which a mining lease may be granted before 11 February 2006 was 10 square kilometres, since 11 February 2006 the area is unrestricted. The holder has an option to renew for a further 21 years and then for a further 21 years with Ministerial consent. A mining lease entitles the holder to exclusive possession of the land for the purposes of mining. The holder may work and mine the land for any minerals, extract and dispose of such minerals and do all acts and things necessary in order to carry out

mining operations on the land the subject of that mining lease, conditional on a Programme of Work being approved by DMP.

(c) **Other obligations**

The Mining Act also imposes obligations upon the holder of a mining tenement in relation to entry to and use of land, notice requirements and compensation to the landholder. The tenement holder must give written notice to landholders of the relevant land (including native title holders), before entering the land for exploration or mining purposes, and access arrangements are to be entered into in accordance with the requirements of the Mining Act. The holder of a mining tenement is also required to compensate every person having an interest in any land upon which mining operations are carried out in pursuance of the Mining Act, and this includes persons holding native title in the relevant land. Compensation may be by agreement or determined by the Court. Obligations are also imposed in relation to compliance with environmental, conservation and heritage obligations and rehabilitation requirements.

(d) **Conditions of tenements**

Mining tenements in Western Australia are granted subject to various conditions prescribed by the Mining Act including payment of rent, expenditure and reporting requirements and standard environmental conditions, as well as any conditions that may be imposed by the Minister in respect of a particular mining tenement. The rent and expenditure obligations and current status of these for the Tenements are set out in the Schedule along with the Endorsements and conditions affecting the Tenements. Failure to comply with a condition, to which the tenement is subject, such as the payment of rent or compliance with prescribed expenditure conditions, will render the tenement liable to forfeiture by the Minister (or alternatively the Minister may impose a penalty of up to \$50,000). Further, where the expenditure conditions have not been complied with (or relieved by the grant of an exemption) any person may apply to the mining warden for the forfeiture of the licence. The warden may only recommend forfeiture where the non-compliance is of sufficient gravity to justify forfeiture and alternatively may impose a penalty of up to \$10,000.

(e) **Other statutory requirements**

Mining tenements in Western Australia are also subject to statutory requirements of certain other Acts including but not limited to the *Aboriginal Heritage Act 1972*, *Environmental Protection Act 1986*, *Rights in Water and Irrigation Act 1914* and *Conservation and Land Management Act 1984*.

8. **Native Title –Overview**

(a) **Recognition of native title**

In June 1992 the High Court of Australia delivered judgement in *Mabo v Queensland (No.2)* and for the first time the common law of Australia recognised the continuing existence of Aboriginal native title rights to their traditional land and waters following the colonisation of Australia by European settlement.

Generally, these native title rights to land and water will be recognised if:

- (i) the claimants can establish that they have maintained a continuous connection with the land in accordance with traditional laws and customs since British settlement in 1788; and
- (ii) the native title rights have not been lawfully extinguished.

The High Court held that native title could be extinguished by the valid exercise of governmental powers provided there was a clear and plain intention to do so. Further, in order for extinguishment to be lawful it must comply with the obligations imposed by the *Racial Discrimination Act (Cth) 1975*.

After the *Mabo* case, considerable uncertainty existed surrounding the validity of proprietary rights in Australia, including mining tenements, and as a consequence the NTA was enacted by the Commonwealth Parliament and came into operation on 1 January 1994. The Native Title Act was substantially amended in 1998 in response to the decision of the High Court in *Wik People v Queensland* which recognised that the granting of a pastoral lease did not necessarily extinguish all native title rights, some of which could co-exist with the rights under a pastoral lease.

In summary, the Native Title Act:

- (i) provides for recognition and protection of native title;
- (ii) establishes a regime by which claims for native title and compensation can be determined by the Federal Court of Australia;
- (iii) provides procedures by which any future act affecting native title (such as the grant of a mining tenement) may be validly undertaken and by which registered claimants may be afforded certain procedural rights including the 'right to negotiate';
- (iv) makes valid certain 'past acts' which would otherwise be invalidated because of native title;
- (v) extinguishes native title by the grant of private freehold title and exclusive possession tenures such as freeholding leases. The grant of a freehold interest in land is considered so inconsistent with the

continued enjoyment of native title rights that it extinguishes native title and once extinguished native title cannot be revived;

- (vi) establishes the position of a Native Title Registrar with responsibility to consider whether claims filed pass the requirements of the 'registration test', maintain registers of native title claims, proven native title and Indigenous Land Use Agreements, and provide mediation services to parties to native title applications; and
- (vii) establishes the National Native Title Tribunal, with responsibility to assist the Native Title Registrar and provide services and support to parties to native title claims.

(b) **Native title claims**

The NTA provides for procedures whereby a claimant may lodge an application for a determination of native title with the Federal Court. Once a native title claim has been lodged, the Federal Court will refer the claim to the Native Title Registrar who must determine whether the claim meets certain conditions concerning the merits of the claim, and certain procedural and other requirements set out by the NTA ('Registration Test').

If the Native Title Registrar is satisfied that the claim meets the Registration Test, the claim will be entered on the Register of Native Title Claims maintained by the NNTT. If a claim fails to meet the Registration Test it may still be entered on the Register at a later date if additional information is provided by the claimant that satisfies the Registration Test. Both registered and unregistered native title claims proceed through the mediation and determination process in the Federal Court. However, claimants of unregistered claims are not usually afforded certain procedural rights under the NTA, including rights of notification and rights to negotiate in relation to activities such as the grant of mining tenements on the land the subject of their unregistered claim.

(c) **The 'right to negotiate' and the future act regime**

The NTA provides procedures for the benefit of registered native title claimants that are collectively known as the future act regime. After registration of their native title claim, claimants will be entitled to the 'right to negotiate' with respect to certain proposed future acts that may affect native title. The granting of a mining tenement in the Northern Territory constitutes an act that may affect native title.

Generally, in relation to exploration licences and prospecting licences, the State issues a notice including a statement that the tenement should be granted under the expedited procedure. This means the tenement will be granted without negotiations with any native title claimants. Registered claimants may lodge an objection to this within four (4) months after the notification date. If there are no objections lodged within the four (4) month period, the NNTT does not become involved and the State may proceed to grant the tenement in accordance with the Mining Act procedures. If one or more objections are lodged the matter is referred to the NNTT. The parties

may negotiate, agree that the proposed future act is an act attracting the expedited procedure and consent to a determination that the expedited procedure applies. In such cases, the State will proceed to grant under the Mining Act.

If the parties do not reach agreement, the NNTT must determine the matter. If the NNTT decides that the expedited procedure does apply, the State may proceed to grant the tenements. Alternatively, if the NNTT determines that the expedited procedure does not apply, the process for grant of the tenement must comply with the 'right to negotiate' provisions of the NTA. Under the NTA, the expedited procedure will not apply if the grant of the exploration licence or prospecting licence is likely to interfere with the community or social activities on the land, areas or sites of particular significance, or involve major disturbance to any land or waters.

The right to negotiate provisions of the NTA require the parties (i.e. the State, the tenement applicant and the registered native title claimants) to negotiate in good faith for a period of not less than six (6) months following the publication of the State's notice that it intends to grant the tenement. If no agreement is reached within that time, the matter may be referred to the NNTT for determination as to whether, under the NTA, the tenement may be granted. If it determines that the tenement may be granted, the NNTT may impose conditions on the grant additional to those imposed under the Mining Act.

If the right to negotiate procedure applies in relation to a future act but is not complied with, the act will be invalid to the extent that it affects native title.

(d) **Proving a native title claim**

Whether a native title claim is registered or unregistered, the native title claimants must prove that their claimed native title rights exist in the Federal Court, in order to have their claimed native title rights formally recognised. Native title claims may be resolved through a full trial or may be the subject of a consent determination following a successful mediation process. If a native title claim is successfully proved, the then current holder of any mining tenement may be liable for compensation for any effect of the grant of that tenement on the native title proved to have existed. As yet, there has not been any determination of a compensation claim of this kind in Australia.

9. **Native Title – Western Australia**

(a) **Current policy**

As at the date of this Report, the Western Australian government's current policy in respect of the assessment of applications for the grant of exploration licences and prospecting licences engages the operation of the future act regime where the grant of such tenements may affect native title.

Under the present guidelines, the applicant for the grant of a tenement may provide evidence to the DMP, in the manner required by the guidelines, that it has executed a standard form heritage agreement or an alternative heritage agreement in place with a native title representative body ('NTRB') or with

native title parties not represented by a NTRB. In those circumstances, the WA government, in giving notification of the application for the grant of a prospecting or exploration licence required under section 29 of the NTA, will apply the expedited procedures set out in section 32 of the NTA. Provided that objection is not lodged by an interested native title claimant or party, and provided that a heritage agreement of the type above referred is executed by the NTRB or relevant claimants or parties, the application may proceed to grant without further consideration of native title issues. If an executed heritage agreement is not signed by the parties, the NTA right to negotiate regime will be engaged and the applicant for the licence will need to negotiate in good faith together with the State and the native title claimant to progress the application to grant.

(b) There are two current native title claims affecting the Tenements specified in section 3.

(c) Validity of granted Tenements

(i) Tenements granted prior to 1 January 1994

Under the NTA, tenements granted in Western Australia prior to 1 January 1994 are deemed to be valid and native title (if any exists) has been suspended by their grant.

According to our DMP searches, none of the Tenements were granted prior to 1 January 1994.

(ii) Tenements granted after 1 January 1994

Unless native title had previously been extinguished in respect of the land upon which the Tenements were granted, these Tenements would necessarily attract the operation of the future act provisions of the NTA and engage the right to negotiate procedures to the extent that the grant of those Tenements might affect native title.

Accordingly, the granted Tenements will be valid provided that the future act regime under the NTA was followed by the relevant parties.

10. Native Title Claims

The following Native Title claims exist in relation to the Tenements:

(i) Federal Court number WAD6007/01 with the Puutu Kunti Kurrama & Pinikura Claim Group on the Ilmenite Tenement; and

(ii) Federal Court numbers WAD127/97 with the Yaburara Mardudhunera People and WAD6090/98 with Kururma Marthudunera on the Helix Tenement.

11. Aboriginal Heritage

Both Commonwealth and State legislation protect and provide for the preservation of places, areas, and objects of significance to Aboriginal people in accordance with Aboriginal traditions. *The Commonwealth Aboriginal and Torres Strait Islander Heritage Protection Act 1984* provides the Commonwealth Minister with power to make declarations for the protection and preservation of an area or object that is of Aboriginal significance.

In Western Australia, the *Aboriginal Heritage Act 1972 (AHA)* protects all Aboriginal sites and objects of significance to Aboriginal persons on or under an Aboriginal site whether or not those sites are registered on the Register of Aboriginal Sites established by that Act.

Searches reveal that there are four (4) registered Aboriginal heritage sites in the Ilmenite Tenement.

The AHA does not provide a mechanism for determining the existence of Aboriginal sites, although the register enables some sites to be identified. Accordingly, to ensure that all sites in a target area are avoided, the practice has developed for mineral explorers and miners to undertake Aboriginal heritage surveys with Aboriginal traditional owners to identify ethnographic sites and to undertake archaeological surveys to identify archaeological sites.

12. Risk Factors

- (a) All of the Tenements carry with them annual expenditure and reporting commitments and will be subject to applications for renewal, the success of which cannot be guaranteed. If a Tenement is not renewed, Cradle may suffer significant damage through loss of opportunity to discover and develop any mineral resources on that Tenement.
- (b) The existence of native title and/or native title claims in relation to the land the subject of the Tenements may have an adverse impact on the Cradle's activities and its ability to fund those activities.
- (c) The right to negotiate process can take a number of years and can incur considerable cost. Further, if the parties to the right to negotiate process cannot reach agreement the matter may be referred to the NNTT for arbitration. The NNTT may determine that the application cannot be granted or only granted on conditions unacceptable to Cradle.
- (d) There is a risk that Aboriginal sites and objects may exist on the land the subject of the Tenements the existence of which sites and objects may preclude or limit mining activities in certain areas of the Tenements. Further, the disturbance of such sites and objects is likely to be an offence under the applicable legislation, exposing Cradle to fines and other penalties

13. Tenement Obligations

The rent and expenditure obligations, endorsements, conditions and dealings for and affecting the Tenements are set out in the Schedule.

14. Conclusion

This Report has been prepared for the purposes of the Prospectus only. We consider that the information contained within this Report provides an accurate statement as to the status of the Tenements as at 15 July 2011.

Yours faithfully

A handwritten signature in black ink, appearing to read "Hardy Bowen". The signature is written in a cursive style with a large initial 'H' and 'B'.

Hardy Bowen

**Schedule 1
Tenement Summary**

Tenement	Date Granted	Expiry Date	Area Blocks / km2	Holder (100% unless stated)	Annual Expenditure Commitments	Native Title & Land Rights Matters	Notes
EL 47/1090	02/11/07	01/10/12	70 Blocks	Helix	\$105,000	WAD127/97 & WAD6090/98	1 - 6 (inclusive)
EL 08/2142	25/02/11	24/02/16	20 Blocks	Ilmenite	\$20,000	WAD6007/01	1 - 19 (inclusive)

Notes:

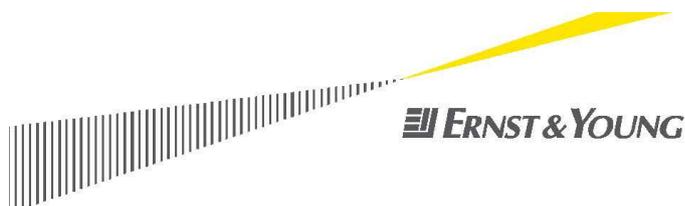
1. All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion.
2. All disturbances to the surface of the land made as a result of exploration including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Mines and Petroleum (DMP). Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DMP.
3. All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
4. Unless the written approval of the Environmental Officer, DMP is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
5. The Licensee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment.
6. The Licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:
 - (a) the grant of the Licence; or
 - (b) registration of a transfer introducing a new Licensee;

advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.

7. No mining within twenty five (25) metres of either side of the Dampier to Perth Gas/Petroleum pipeline as shown in Tengraph.
8. No surface excavation approaching closer to the boundary of the Safety Zone established by Condition 7 hereof than a distance equal to three times the depth of the excavation without the prior written approval of the State Mining Engineer DMP.
9. No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety Zone established by Condition 7 hereof without the prior approval of the operators of the Gas/Petroleum pipeline.
10. The Licensee shall not excavate, drill, install, erect, deposit or permit to be excavated, drilled, installed, erected or deposited within the Safety Zone established in Condition 7 hereof, any pit, well, pavement, foundation, building, or other structure or installation, or material of any nature whatsoever without the prior written consent of the State Mining Engineer DMP.
11. No explosives being used or stored within one hundred and fifty (150) metres of the Gas/Petroleum pipeline without the prior written consent of the State Mining Engineer DMP.
12. Mining on the Safety Zone established in Condition 7 hereof being confined to below a depth of fifty (50) metres from the natural surface unless otherwise approved by the State Mining Engineer DMP.
13. The rights of ingress to and egress from the pipeline easement established in Condition 7 hereof being at all times preserved for employees, contractors and agents of the operators of the Gas/Petroleum pipeline.
14. Such further conditions as may from time to time be imposed by the Minister responsible for the Mining Act 1978 for the purpose of protecting the Gas/Petroleum pipeline.
15. No interference with Geodetic Survey Station SSM-Wyloo 47 and mining within fifteen (15) metres thereof being confined to below a depth of fifteen (15) metres from the natural surface.
16. No interference with Geodetic Survey Station De Courcey and mining within fifteen (15) metres thereof being confined to below a depth of 15 metres from the natural surface.
17. No interference with Geodetic Survey Station WYL 133 and mining within fifteen (15) metres thereof being confined to below a depth of 15 metres from the natural surface.
18. No interference with Geodetic Survey Station WYL 134 and mining within fifteen (15) metres thereof being confined to below a depth of fifteen (15) metres from the natural surface.

19. No interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of fifteen (15) metres from the natural surface.

6. Investigating Accountant's Report



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27 July 2011

The Board of Directors
Cradle Resources Limited
Suite 23, 513 Hay Street
SUBIACO WA 6008
Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION AND PRO FORMA FINANCIAL INFORMATION

1. Introduction

We have prepared this Investigating Accountant's Report (the "Report") on the historical and proforma financial information of Cradle Resources Limited ('Cradle') for inclusion in an Initial Public Offering Prospectus to be dated on or about 27 July 2011, in connection with the offer of 12,000,000 ordinary shares in the Company at an issue price of 20 cents per share ('the Issue').

Expressions defined in the Prospectus have the same meaning in this Report.

2. Scope

Ernst & Young has been requested to prepare this Report to cover the following financial information:

- ▶ Historical Financial Information comprising the Statement of Financial Position as at 20 June 2011 and selected notes to the financial information as set out in Section 7 of the Prospectus (hereafter "Historical Financial Information"); and
- ▶ Pro-forma Financial Information comprising a Pro-Forma Statement of Financial Position as at 20 June 2011 and selected notes to the Pro-Forma financial information as set out in Section 7 of the Prospectus (hereafter "Pro-forma Financial Information").

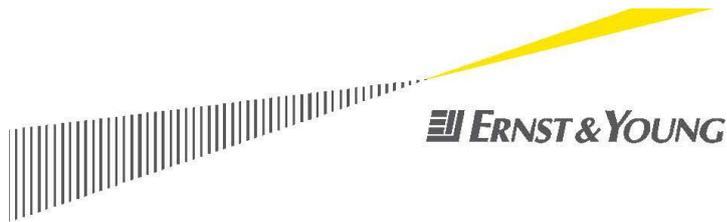
(Collectively, the "Financial Information")

The Historical Financial Information has been extracted from the unaudited books and records of the Company as at 20 June 2011.

The Pro-Forma Financial Information assumes completion of the proposed transactions outlined in Section 7, note 3 of the Prospectus

The Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports.

We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which this Report relates for any purposes other than that for which it was prepared. This Report should be read in conjunction with the Prospectus.



3. Directors' Responsibility for the Financial Information

The Directors of Cradle have prepared and are responsible for the preparation and presentation of the Financial Information. The Directors are also responsible for the determination of the Pro- Forma adjustments as set out in Section 7, note 3 of the Prospectus.

4. Our Responsibility for the Financial Information

Our responsibility is to express a conclusion on the Financial Information based on our review.

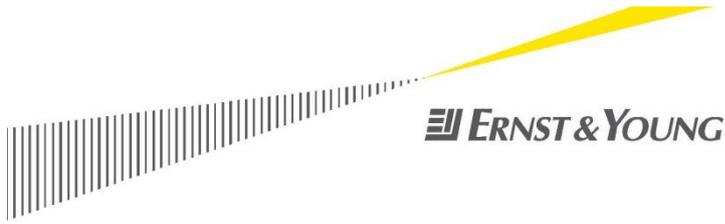
We have conducted an independent review of the Financial Information in order to state whether on the basis of the procedures described, anything has come to our attention that would cause us to believe that:

- a. The Historical Financial Information does not present fairly:
 - ▶ the Historical Statement of Financial Position as at 20 June 2011 and selected notes to the historical financial information as set out in Section 7 of the Prospectus

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia;
- b. The Pro Forma transactions do not provide a reasonable basis for the Pro-Forma Financial Information;
- c. The Pro-Forma Financial Information has not been prepared on the basis of the transactions set out in Section 7, note 3 of the Prospectus;
- d. The Pro-Forma Financial Information does not present fairly:
 - ▶ the Pro-Forma Statement of Financial Position as at 20 June 2011 and selected notes to the Pro-Forma financial information as set out in Section 7 of the Prospectus

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the pro-forma transactions set out in Section 7, note 3 of the Prospectus had occurred at 20 June 2011.

Our independent review of the Financial Information has been conducted in accordance with Australian Auditing and Assurance Standards applicable to review engagements. Our procedures consist of reading of relevant Board minutes, reading of relevant contracts and other legal documents, inquiries of management personnel and the Directors of Cradle, and analytical and other procedures applied to Cradle's accounting records. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Financial Information.



5. Review conclusion on the Financial Information

Based on our independent review, which is not an audit, nothing has come to our attention which causes us to believe that:

- a. The Historical Financial Information does not present fairly:
 - ▶ the Historical Statement of Financial Position as at 20 June 2011 and selected notes to the financial information as set out in Section 7 of the Prospectus

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia;
- b. The Pro-Forma transactions do not provide a reasonable basis for the Pro-Forma Financial Information;
- c. The Pro-Forma Financial Information has not been prepared on the basis of the transactions set out in Section 7, note 3 of the Prospectus;
- d. The Pro-Forma Financial Information does not present fairly:
 - ▶ the Pro-Forma Statement of Financial Position as at 20 June 2011 and selected notes to the Pro-Forma financial information as set out in Section 7 of the Prospectus

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the pro-forma transactions set out in Section 7, note 3 of the Prospectus had occurred at 20 June 2011.

6. Independence or Disclosure of Interest

Ernst & Young does not have any pecuniary interest that could reasonably be regarded as being capable of affecting its ability to form an unbiased conclusion in this matter. Ernst & Young will receive a professional fee for the preparation of this Report.

Yours faithfully

Ernst & Young

7. Financial Information

7.1 Introduction

This Section sets out the Historical Financial Information and Pro Forma Financial Information of the Company. The basis for preparation and presentation is set out below.

The Financial Information was prepared by management and was adopted by the directors of the Company. The directors are responsible for the inclusion of all Financial Information in the Prospectus. Ernst & Young has prepared an Investigating Accountant's Report in respect of the Historical and Pro Forma Financial Information. A copy of the report together with an explanation of the scope of Ernst & Young's work is set out in Section 6 of the Prospectus.

The Historical Financial Information and Pro Forma Financial Information has been prepared in accordance with the measurement and recognition criteria of Australian Accounting Standards and the significant accounting policies set out in Note 1 to the financial information. The Historical Financial Information comprises of financial information of the Company which has been extracted from the unaudited books and records of the Company as at 20 June 2011. The Pro Forma Financial Information comprises of a pro-forma Balance Sheet as at 20 June 2011 which assumes completion of the transactions described in Note 3 to the Financial Information. The Historical and Pro Forma Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures and notes required in an annual financial report prepared in accordance with Australian Accounting Standards and the Corporations Act 2001.

7.2 Historical Financial Information

The Historical Financial Information for the Company set out on the following pages comprises:

- (a) The unaudited Statement of Financial Position of Cradle Resources Limited as at 20 June 2011; and
- (b) Selected notes to the Financial Information.

7.3 Pro-Forma Financial Information

The Pro Forma Financial Information of the Company set out on the following pages comprises:

- (a) The unaudited Pro Forma Statement of Financial Position of the Company as at 20 June 2011; and
- (b) Selected notes to the unaudited Pro Forma Financial Information including the proforma transactions described in Note 3 to the Financial Information.

CRADLE RESOURCES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 20 JUNE 2011

	<i>Notes</i>	<i>Unaudited Actual \$</i>	<i>Unaudited Pro Forma Adjustments \$</i>	<i>Unaudited Pro Forma \$</i>
CURRENT ASSETS				
Cash and cash equivalents	4	219,889	2,216,630	2,436,519
Trade and other receivables		220	-	220
TOTAL CURRENT ASSETS		<u>220,109</u>	<u>2,216,630</u>	<u>2,436,739</u>
NON CURRENT ASSETS				
Deferred exploration and evaluation costs	5	10,001	240,000	250,001
TOTAL NON-CURRENT ASSETS		<u>10,001</u>	<u>240,000</u>	<u>250,001</u>
TOTAL ASSETS		<u>230,110</u>	<u>2,456,630</u>	<u>2,686,740</u>
CURRENT LIABILITIES				
Trade and other creditors		-	-	-
TOTAL CURRENT LIABILITIES		<u>-</u>	<u>-</u>	<u>-</u>
NON-CURRENT LIABILITIES				
Deferred tax liability		-	-	-
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS		<u>230,110</u>	<u>2,456,630</u>	<u>2,686,740</u>
EQUITY				
Issued capital	6	235,000	2,456,630	2,691,630
Accumulated losses		(4,890)	-	(4,890)
TOTAL EQUITY		<u>230,110</u>	<u>2,456,630</u>	<u>2,686,740</u>

These statements of financial position should be read in conjunction with the accompanying notes.

CRADLE RESOURCES LIMITED
NOTES TO THE FINANCIAL INFORMATION
AS AT 20 JUNE 2011

1. Summary of Significant Accounting Policies

The significant accounting policies which have been adopted in the preparation of the Historical and Pro Forma Financial Information (collectively referred to as the “financial information”) are:

(a) Basis of preparation

The Historical Statement of Financial Position as at 20 June 2011 has been derived from the Company’s underlying books and records.

The Pro Forma Statement of Financial Position has been based on the Historical Statement of Financial Position of the Company as at 20 June 2011. As set out in Note 3, Pro Forma adjustments have been made to the Historical Statement of Financial Position of the Company as at 20 June 2011 to compile the Pro Forma Statement of Financial Position of the Company at that date.

The financial information set out in the Prospectus has been prepared in accordance with the accounting policies of the Company and the recognition and measurement principles (but not all the disclosure requirements) prescribed by the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board. The financial Information is presented in an abbreviated form and it does not include all the disclosures and notes required in an annual financial report prepared in accordance with Australian Accounting Standards and the Corporations Act 2001.

(b) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Company’s functional and presentation currency.

(c) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

(d) Trade and other receivables

Trade receivables are generally paid on 30 day settlement terms and are recognised and carried at original invoice amount less an allowance for impairment. Trade receivables are non-interest bearing. Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified.

(e) **Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(f) **Revenue recognition**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised:

(i) Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest revenue over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(g) **Income tax and other taxes**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- (i) when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- (ii) when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- (iii) when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- (iv) when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- (i) when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (v) receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority

(h) **Exploration and evaluation expenditure**

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method. Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest are current and either:

- (i) the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- (ii) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

The carrying value of capitalised exploration and evaluation expenditure is assessed annually for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

Impairment exists when the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to the recoverable amount. Any impairment losses are recognised in the statement of comprehensive income.

Similarly where an asset or cash generating unit has an estimated recoverable amount above its carrying amount impairment losses can be reversed and are recognised in the statement of comprehensive income.

(i) **Share-Based Payments**

Where the Company operates equity-settled share-based payment employee share and option schemes, the fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model, which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Share-based payment transactions also include transactions where the Company receives goods and services as consideration for equity instruments in the entity. In situations where equity instruments are issued and some or all of the goods and services received by the Company as consideration cannot be specifically identified, the unidentified goods and services received (or to be received) are measured as the difference between the fair value of the share-based payment transaction and the fair value of any identified goods

and services received at the grant date. This is then capitalised or expensed as appropriate.

(j) **Going concern**

The financial information has been prepared on the basis of the Company being a going concern. The Company's ability to continue as a going concern is contingent upon raising capital from this Prospectus to fund the planned activities and for use as working capital. If this capital raising is not successful, the going concern basis may not be appropriate, with the result that the Company may have to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts different from those stated in the financial information. No allowance for such circumstances has been made in the financial information.

2. Significant Accounting Judgement, Estimates and Assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities and contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

(a) **Impairment of capitalised exploration and evaluation expenditure**

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the entity decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

3. **Actual and Proposed Transactions to Arrive at Pro-Forma Statement of Financial Position (Pro-Forma Adjustments)**

The unaudited Pro Forma Statement of Financial Position of the Company has been derived from the unaudited books and records of the Company and the following transactions as if they had occurred at 20 June 2011:

- (a) The issue of 12,000,000 Shares at an issue price of \$0.20 per Share to raise \$2,400,000 before expenses of the Offer. All Shares issued pursuant to this Prospectus will be issued as fully paid and will rank equally in all respects with the Shares already on issue;
- (b) Total costs expected to be incurred in connection with the preparation of the Prospectus of \$143,370 are recognised directly in equity; and
- (c) Pursuant to the Wyloo Option Agreement with Ilmenite Resources Limited, the Company will issue 800,000 shares at the issue price of \$0.20 each and pay an additional \$40,000 in consideration for acquiring the Wyloo Tenement. The Company has already advanced \$10,000 for this tenement. The deemed fair value of \$210,000 is based on the fair value of the shares to be issued and the cash payments made. The above transaction is conditional on the Company receiving in principle from ASX for the admission of the Company's securities to the ASX on conditions reasonably acceptable to the Company.
- (d) Pursuant to the Booyeema Option Agreement with Helix Resources Limited, the Company will issue 200,000 shares at the issue price of \$0.20 each in consideration for acquiring the Booyeema Tenement. The Company has already advanced \$1 for this tenement. The deemed fair value of \$40,001 is based on the fair value of the shares to be issued and the cash payments made. The above transaction is conditional on the Company receiving in principle from ASX for the admission of the Company's securities to the ASX on conditions reasonably acceptable to the Company.

4. **Cash and Cash Equivalents**

	<i>Unaudited actual</i>	<i>Unaudited Pro Forma</i>
	\$	\$
CASH AND CASH EQUIVALENTS		
Balance as at 20 June 2011	219,889	219,889
Shares issued pursuant to this Prospectus	-	2,400,000
Share issue costs	-	(143,370)
Payment for the Wyloo Tenement	-	(40,000)
Payment for Booyeema Tenement	-	-
	<u>219,889</u>	<u>2,436,519</u>

5. **Deferred Exploration and Evaluation Costs**

	<i>Unaudited actual</i>	<i>Unaudited Pro Forma</i>
	\$	\$
DEFERRED EXPLORATION AND EVALUATION COSTS		
Balance as at 20 June 2011	10,001	10,001
Acquisition of mineral rights	-	240,000
	<u>10,001</u>	<u>250,001</u>

The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas.

6. **Issued Capital**

ISSUED CAPITAL	<i>No. of Shares</i>	<i>Unaudited actual</i>	<i>Unaudited Pro Forma</i>
Issued and paid up share capital		\$	\$
Shares issued:			
8,999,999 fully paid ordinary shares issued at \$0.01(i)		90,000	90,000
4,500,001 fully paid ordinary shares issued at \$0.01		45,000	45,000
1,000,000 fully paid ordinary shares issued at \$0.10		100,000	100,000
Issue of 1,000,000 shares pursuant to Booyeema and Wyloo tenement acquisition		-	200,000
Issue of 12,000,000 shares pursuant to the Offer		-	2,400,000
Share issue costs		-	(143,370)
Balance at end of period	<u>27,500,000</u>	<u>235,000</u>	<u>2,691,630</u>

- (i) As at 20 June 2011 there are 10,250,000 free options attached to the above shares outstanding and are exercisable at \$0.20 each with an expiry date which is 5 years from the date the options are granted.
- (ii) Refer to Section 11 in the Prospectus for details relating to the rights and restrictions attaching to the ordinary shares

7. **Contingencies and Commitments**

The Directors are not aware of any other commitments or contingencies.

8. **Related Party Transactions**

Please refer to Section 10 for details of related party transactions.

9. **Subsequent Events**

The Directors are not aware of any subsequent events.

8. Material Contracts

8.1 Option Agreement – Wyloo Project

On 9 June 2011, the Company entered into an option agreement (**Wyloo Option Agreement**) with Ilmenite Resources Pty Ltd (ACN 132 172 831) (**Ilmenite**) under which Ilmenite agreed to grant the Company an option to acquire Exploration Licence E08/2142 (Wyloo Tenement) (the **Wyloo Option**). The Wyloo Option Agreement was amended on 14 July 2011.

In consideration for the Wyloo Option, the Company has paid Ilmenite an option fee of \$10,000. The Company is required to pay Ilmenite \$1.00 on 9 December 2011 if the Wyloo Option has not been exercised.

The Wyloo Option is exercisable by the Company after the Company receives in principle approval from ASX for the admission of the Company's securities to the official list of ASX on conditions reasonably acceptable to the Company.

Ilmenite has granted the Company an exclusive right to conduct due diligence on the Wyloo Tenement for a period of thirty (30) days from the date of the Wyloo Option Agreement for the purpose of determining whether it will exercise the Wyloo Option. The Company may lodge a caveat pursuant to the Mining Act to protect its interests in the Wyloo Tenement.

If the Wyloo Option is exercised, completion of the sale and purchase of the Wyloo Tenement is to take place five (5) business days after Ilmenite receives notice that the Company has exercised the Wyloo Option. On completion of the sale and purchase of the Wyloo Tenement, the Company is required to:

- (a) pay Ilmenite \$40,000; and
- (b) issue to Ilmenite 800,000 Shares,

at which point the Company will acquire a beneficial interest in the Wyloo Tenement. Legal title in the Wyloo Tenement will be transferred on 25 February 2012, being the earliest date it can be transferred in accordance with the Mining Act. Ilmenite will hold the Wyloo Tenement on trust as bare trustee for the Company until legal transfer is registered.

The Wyloo Tenement is subject to a Native Title and Heritage Agreement dated 1 February 2011 between Ilmenite and Puutu Kunti Kurrama & Pinikura Claim Group (**Native Title Agreement**). The Company has agreed that on Completion, it will comply with the terms and conditions of the Native Title Agreement.

Ilmenite has provided the Company with warranties in relation to ownership, encumbrances and good standing of the Wyloo Tenement.

The remainder of the terms and conditions of the Wyloo Option Agreement are considered standard for an agreement of this nature.

8.2 Option Agreement – Booyeema Project

On 14 June 2011, the Company entered into an option agreement (**Booyeema Option Agreement**) with Helix Resources Pty Ltd (ACN 009 138 738) (**Helix**) under which Helix agreed to grant the Company an option to acquire Exploration Licence E47/1090 (Booyeema Tenement) (the **Booyeema Option**). The Booyeema Option Agreement was amended on 14 July 2011.

In consideration for the Booyeema Option, the Company has paid Helix an option fee of \$1.00.

The Booyeema Option must be exercised by the Company after the Company receives in principle approval from ASX for the admission of the Company's securities to the official list of ASX on conditions reasonably acceptable to the Company.

Helix has granted the Company an exclusive right to conduct due diligence on the Helix Tenement for a period of thirty (30) days from the date of the Booyeema Option Agreement for the purpose of determining whether it will exercise the Option. The Company may lodge a caveat pursuant to the Mining Act to protect its interests in the Booyeema Tenement.

In the event the Booyeema Option period expires without the exercise of the Booyeema Option, Helix has agreed to grant the Company, for a period of ten (10) business days following expiry, an exclusive right to negotiate a further six (6) month extension to the Booyeema Option period.

If the Booyeema Option is exercised, completion of the sale and purchase of the Booyeema Tenement is to take place five (5) business days after Helix receives notice that the Company has exercised the Booyeema Option. At completion, the Company is required to issue to Helix 200,000 Shares at a deemed issue price of \$0.20. The legal and beneficial interest in the Booyeema Tenement will pass to the Company on completion.

The Company has agreed that on completion, it will comply with the terms and conditions of the Heritage Clearance Agreement for E47/1090 with the Wong-Goo-To-Oo (WAG 6256 and WC98/40) dated 30 March 2007.

If Helix's right and interest in the Booyeema Tenement is not capable of being transferred to the Company on completion, any and all rights associated with the Booyeema Tenement will be exercised by Helix in the Company's name and will be held on trust by Helix as bare trustee for the Company. Helix has acknowledged the manner in which these rights are to be exercised, in the event these circumstances arise. The Booyeema Option Agreement gives the Company a right to lodge a caveat over the Booyeema Tenement.

Helix has provided the Company with warranties in relation to ownership, encumbrances and good standing of the Booyeema Tenement.

The remainder of the terms and conditions of the Booyeema Option Agreement are considered standard for an agreement of this nature.

8.3 Executive Employment Contract

On 4 July 2011 the Company entered into an executive employment contract with Patrick Walta. The key terms of the contract are:

- (a) **Position:** Chief Executive Officer.
- (b) **Time:** employee shall devote approximately 90% of the employee's time, attention and abilities to the Company. The employee has an interest in certain agreements and opportunities being reviewed and undertaken by Raging Bull Mining. The employee is permitted to continue to maintain an interest in such agreements and opportunities in accordance with the terms of the executive employment contract.
- (c) **Commencement Date:** 4 July 2011.
- (d) **Base Remuneration** – base salary of \$160,000 pa plus superannuation contributions of 9%.
- (e) **Termination:** either party can terminate the executive employment contract by giving three month's written notice, however, the Company may terminate immediately for cause in circumstances including fraud or dishonesty or failure to remedy a serious or persistent breach of contract.
- (f) **Review Period:** the Company will conduct an annual review of the salary without an obligation to increase the salary taking into account:
 - (i) the employee's personal competency progression;
 - (ii) the employee's achievement of personal development targets and the key performance indicators; and
 - (iii) the Company's remuneration policy.

As at the date of this Prospectus, Patrick Walta holds 1,000,000 Shares and 1,000,000 Options attached to the Shares exercisable at \$0.20 each with an expiry date which is 5 years from the date the options were granted.

8.4 Employee Share Plan

The Company has adopted an employee share plan (**Employee Share Plan**) in order to provide an incentive for eligible participants to participate in the future growth of the Company (**Eligible Employees**). It is intended that the Employee Share Plan will be administered in accordance with the Employee Share Plan rules, which are summarised below.

- (a) The Directors, at their discretion, may issue Shares (**Plan Shares**) to Participants (or to a nominee as the Participant directs) at any time, having regard to relevant considerations such as the Participant's past and potential contribution to the Company, and their period of employment with the Company.

- (b) Participants in the Employee Share Plan are employees and Directors of the Company, or of a related body corporate (**Participants**). The Company will seek Shareholder approval for Director and related party participation in accordance with Listing Rule 10.14.
- (c) The Employee Share Plan is administered by the Directors of the Company, who have the power to:
 - (i) determine appropriate procedures for administration of the Employee Share Plan consistent with its terms;
 - (ii) resolve conclusively all questions of fact or interpretation in connection with the Employee Share Plan;
 - (iii) delegate the exercise of any of its powers or discretions arising under the Employee Share Plan to any one or more persons for such period and on such conditions as the Board may determine; and
 - (iv) suspend, amend or terminate the Employee Share Plan.
- (d) Plan Shares may be issued at a price to be determined by the Board, which may be a nominal or nil amount if so determined by the Board.
- (e) The Company must take reasonable steps to ensure that the number of Plan Shares offered by the Company under the Employee Share Plan when aggregated with:
 - (i) the number of Plan Shares issued during the previous 5 years under the Employee Share Plan (or any other employee share plan extended only to Eligible Employees); and
 - (ii) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee incentive plan of the Company were to be exercised or accepted,

does not exceed 5% of the total number of issued Shares at the time of an offer of Plan Shares (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with the ASIC Class Order 03/184).
- (f) The Plan Shares will be issued on the same terms as the fully paid, ordinary shares of the Company and will rank equally with all of the Company's then existing Shares.
- (g) The Board may impose conditions in an offer of Plan Shares that must be satisfied (unless waived by the Board in its absolute discretion) before the Plan Shares to which the condition applies can be sold, transferred, assigned, charged or otherwise encumbered.
- (h) If a condition imposed by the Board in relation to Plan Shares is not satisfied by the due date, or becomes incapable of satisfaction as determined by the opinion of the Board, the Company must, unless waived by the Board:

- (i) where the Plan Shares were issued for no cash consideration, subject to the Corporations Act and the ASX Listing Rules, buy back the relevant Plan Shares under Part 2J.1 of the Corporations Act at a price equal to \$0.0001 per Share; or
 - (ii) where the Shares were issued for cash consideration, subject to the Corporations Act and the ASX Listing Rules, use its best endeavours to buy back the relevant Plan Shares under Part 2J.1 of the Corporations Act at a price equal to the cash consideration paid by the Participant for the Plan Shares.
- (i) The Company will make application for official quotation of all Plan Shares as soon as practicable after their Issue Date.

9. Risk Factors

Any investment in the Company should be considered speculative.

The activities of the Company are subject to a number of risks and other factors, which may impact its future performance. Prospective investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus before deciding whether to apply for Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

9.1 Risks Specific to the Company

(a) Transfer of Legal Title

There is no guarantee that the Company will obtain legal title to the Wyloo Tenement or the Booyeema Tenement.

On exercise of the Wyloo Option over the Wyloo Tenement, the Company will only acquire a beneficial interest in the Wyloo Tenement. Legal title to the Wyloo Tenement will be transferred to the Company on 25 February 2012 (refer to Section 8.1).

On exercise of the Booyeema Option over the Booyeema Tenement legal title to the Booyeema Tenement will be transferred to the Company.

Whilst every effort will be made by the Company to ensure the legal interest in the Wyloo Tenement and Booyeema Tenement is secured, approval of legal transfer of the Wyloo Tenement and Booyeema Tenement is beyond the control of the Company.

The Company has contractual rights and protections (including trust arrangements) in relation to the Wyloo Tenement and Booyeema Tenement as detailed in Section 8.

(b) Tenement Title

Interests in tenements in Western Australia are governed by legislation and is evidenced by the granting of licences. Each licence is granted for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently (provided the Wyloo Option and the Booyeema Option are exercised by the Company), the Company could lose title to, or its interest in, the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise. The annual expenditure requirement on the Wyloo Tenement is currently \$20,000. The annual expenditure requirement on the Booyeema Tenement is currently \$105,000.

All of the Tenements in which the Company has, or may acquire, an interest in will be subject to applications for renewal or exemption from expenditure (as the case may be). The renewal or exemption from expenditure application for a Tenement is usually determined at the discretion of the relevant government authority.

The expiry date of the Booyeema Tenement is 1 October 2012. The expiry date of the Wyloo Tenement is 24 February 2016. If a Tenement is not renewed or granted the exemption from expenditure, the Company may suffer significant damage through loss of the opportunity to develop and discover any minerals on that Tenement.

For further information on the Tenements, refer to the Tenement Summary in Section 5.

(c) **Exploration and development risks**

Prospective investors should understand that mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.

The Company is seeking to evaluate geophysical anomalies and apply alternative exploration concepts. These concepts are new and alternative. There is less likelihood of finding mineralisation by evaluating geophysical anomalies. Geophysical anomalies can be generated from a number of geological circumstances that may or may not be related to mineralisation.

There is no assurance that exploration of the mineral interests currently held by the Company, or any other projects that may be acquired in the future, will result in the discovery of an economically viable mineral deposit. Even if an apparently viable mineral deposit is identified, there is no guarantee that it can be profitably exploited.

The cost of the proposed exploration programme of the Company described in the Independent Geologist Report and Section 4 of the Prospectus are based on certain estimates and assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(d) **New Projects and Acquisitions**

The Company will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities

may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

(e) **Future Capital requirements**

The Company's growth through its proposed and future drilling and exploration campaigns will require substantial expenditure. There can be no guarantees that the Company's cash reserves together with the funds raised by the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy.

If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer and existing working capital, there can be no assurance that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company if at all.

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse affect on the Company's activities.

(f) **Commodity price volatility and foreign exchange risk on revenues and expenses**

The revenue the Company may derive through the sale of commodities exposes the income of the Company to commodity price risks.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, forward selling by producers, and production cost levels in major metal-producing regions.

Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities, as well as general global

economic conditions. These factors may have an adverse effect on the price the Company receives for its commodities.

Furthermore, the price of commodities is denominated in United States dollars whereas the income and expenditure of the Company are, and will be taken into account, in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(g) **Resource Estimates**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling and similar examinations.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(h) **Limited operating history of the Company**

The Company has limited operating history on which an evaluation of its prospects can be made.

The prospects of the Company must be considered in the light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which has a high level of inherent uncertainty.

(i) **Operational risks**

The operations of the Company may be affected by various factors which are beyond the control of the Company, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable

rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(j) **Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(k) **Native title**

The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

Tenements granted before 1 January 1994 are valid or validated by the Native Title Act.

For tenements to be validly granted (or renewed) after 1 January 1994, the future act regime established by the Native Title Act must be complied with.

The existence of a Native Title claim is not an indication that Native Title in fact exists on the land covered by the claim, as this is a matter ultimately determined by the Federal Court.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining operations.

(l) **Private Lands**

3.2% of the Wyloo Tenement is private land. The holder of a mining tenement wishing to access private land or certain areas within a pastoral lease may have to agree the terms of compensation for the rights to access and work the land with the landowners. There is no guarantee that such

arrangement may be able to be negotiated or whether any such terms will be commercially attractive. The Company has no reason to believe that there are any interests in the land which may materially affect the Company's interest in Wyloo Tenement, but there can be no guarantee that such interests do not exist.

(m) **Environmental risks**

The Projects are subject to Western Australian and Federal Australian Government regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(n) **Reliance on key personnel**

The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the

industry and relatively small size of the Company, compared with other industry participants.

9.2 General Risks

(a) Share investments

Applicants should be aware that there are risks associated with any investment in securities. The prices at which the Shares trade may be above or below the issue price, and may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for mining and exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that these trading prices and volumes will be sustained. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance.

(b) Share market conditions

The market price of the Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general, and resource stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Economic risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption in Australia, the rate of growth of Australia's gross domestic product, interest rates and the rate of inflation.

(d) Global credit and investment markets

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Company's Shares trade regardless of operating performance, and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

9.3 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by prospective investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Prospective investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

10. Additional Information

10.1 Continuous Disclosure

The Company is subject to regular reporting and disclosure obligations under the Corporations Act. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

Further, the Company will adopt a continuous disclosure policy so as to comply with its continuous disclosure obligations once listed on ASX.

Those obligations include being required to notify ASX immediately of any information concerning the Company of which it is, or becomes aware of, and which a reasonable person would expect to have a material effect on the price or value of the Company's Shares. Exceptions apply for certain information which does not have to be disclosed.

Other documents that are required to be lodged include:

- (a) quarterly activities and cashflow reports, to be provided to ASX within a specified time at the end of each quarter;
- (b) half yearly reports and preliminary financial statements, to be provided to ASX within a specified time of the end of each half and full year accounting period respectively; and
- (c) financial statements, to be lodged with ASX within a specified time after the end of each accounting period.

10.2 Privacy Disclosure

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

10.3 Taxation Implications

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to take independent financial advice about the taxation and any other consequences of investing in the Company.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

10.4 Litigation

Legal proceedings may arise from time to time in the course of the Company's business. As at the date of this Prospectus, the Company is not involved in any legal proceedings, nor so far as the Directors are aware, are any legal proceedings pending or threatened against the Company, the outcome of which will have a material adverse effect on the business or financial position of the Company.

10.5 Directors' Interests

(a) Directors' interest in Securities

The Directors have the following relevant interests in the Securities of the Company as at the date of this Prospectus:

Director	No of Shares	No of Options
Michael Ashforth	1,500,000	1,000,000
Brendan Cummins	500,000	-
Evan Cranston	450,000	1,000,000

The Directors are not required to hold any Shares in the Company under the Constitution.

Brendan Cummins is a Director of Westoria Resource Investments Ltd¹ which holds 3,150,000 Shares and 4,000,000 Options in the Company. Mr Cummins and Westoria Resource Investments Ltd have advised the Company that Mr Cummins does not have a relevant interest in those shares and options held by Westoria Resource Investments Ltd in the Company in accordance with Section 608 of the Corporations Act.

Note:

¹Westoria Capital Pty Ltd is a wholly owned subsidiary of Westoria Resources Investments Ltd and holds 150,000 of Shares disclosed.

(b) Directors participation in the Offer

Directors may participate in the Offer up to a maximum of 1,000,000 Shares (\$200,000) in aggregate.

(c) Remuneration of Directors

The Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors.

The Constitution provides that non-executive Directors may collectively be paid the aggregate maximum of \$500,000 per annum which has been set by the Company in general meeting.

It is currently resolved that the Chairman will receive fees of \$40,000 per annum and Non-Executive Directors will receive fees of \$30,000 per annum to commence from the date the Company is admitted to the Official List.

A Director may be paid fees or other amounts as the Directors determine, where a Director performs duties or provides services other than acting as a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Except as disclosed in this Prospectus, no Director holds, or during the last two years has held, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (iii) the Offer,

and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director to induce him to become or to qualify as a Director or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

Directors have not received any fees from the Company since its incorporation.

(d) Other Interests

The Company has entered into a deed of indemnity and access with each of its Directors and the Company Secretary (**Deeds**). Under the terms of the Deeds, the Company indemnifies each officer to the extent permitted by the Corporations Act against any liability as a result of the Officer acting as an officer of the Company. The Company is required under the Deeds to use its best endeavours to obtain and maintain insurance policies for the benefit of the relevant officer for the term of the appointment and for a period of seven years after retirement, termination or resignation, except to the extent that such insurance cannot be procured at a reasonable cost or

is otherwise unavailable to the Company. The Deeds also provide for the Officer to have a right of access to Board papers and minutes.

10.6 Expenses of the Offer

The total expenses of the Offer payable by the Company are estimated at approximately \$143,370. See Table below for details:

Capital Raising Costs	
Independent Geological Report	\$10,000
Investigating Accountant's Report	\$8,000
Legal Fees	\$25,000
Printing and Postage	\$7,981
ASIC and ASX Fees	\$27,068
Broker Fees	\$60,000
Duty on Purchase of Tenements	\$5,321
Total	\$143,370

These expenses have been paid or will be payable by the Company.

10.7 Existing Substantial Shareholders

Holder	Shares	%
Westoria Resource Investments Limited ¹	3,150,000	21.7
Kingslane Pty Ltd <Cranston Superannuation Fund>	3,000,000	20.7
Ivoryrose Holdings Pty Ltd <Ashforth Superannuation Fund>	1,500,000	10.3
Zenix Nominees Pty Ltd	1,500,000	10.3
Daniel John Bahen	1,000,000	6.9
Thomas Clement Bahen	1,000,000	6.9
Third Reef Pty Ltd <Back Reef A/C>	1,000,000	6.9
Patrick Walta	1,000,000	6.9

It is anticipated that Westoria Resource Investments Limited, Kingslane Pty Ltd and Ivoryrose Holdings Pty Ltd and Zenix Nominees Pty Ltd will remain substantial shareholders of the Company after the issue of shares under this Prospectus.

Of the shares issued as at the date of this Prospectus 13,500,000 were issued at \$0.01 and 1,000,000 were issued at \$0.10. The issue price of these shares were less than the price of the Shares offered under this prospectus to reflect the additional risk assumed by these seed shareholders.

Note:

¹Westoria Capital Pty Ltd is a wholly owned subsidiary of Westoria Resources Investments Ltd and holds 150,000 of Shares disclosed.

10.8 Interests of Promoters, Experts and Advisors

Except as disclosed in this Prospectus, no promoter or other person named in this Prospectus that has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus holds, or in the past two years has held, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to a promoter or any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Hardy Bowen Lawyers acts as solicitors to the Company and in that capacity have been involved in providing legal advice to the Company in relation to the Offer. The Company has or will pay approximately \$25,000 to Hardy Bowen Lawyers for these services.

Mining Assets Pty Ltd has prepared the Independent Geologist Report included in Section 4 of this Prospectus. The Company has or will pay approximately \$10,000 for these services.

Ernst & Young has prepared the Investigating Accountant's Report included in Section 6 of this Prospectus. The Company has or will pay approximately \$8,000 to Ernst & Young for these services.

Ernst & Young are also the auditors of the Company and are paid for these services on standard industry terms and conditions.

Security Transfer Registrars Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and are paid for these services on standard industry terms and conditions.

The amounts disclosed above are exclusive of any amount of goods and services tax payable by the Company in respect of those amounts.

10.9 Consents

Each of the parties referred to in this Section:

- (a) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (b) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to its name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that party; and
- (c) has given and has not, before the date of lodgement of this Prospectus, with ASIC, withdrawn its written consent:
 - (i) to be named in this Prospectus in the form and context which it is named; and
 - (ii) to the inclusion in this Prospectus of the statement(s) and/or report(s) (if any) by that person in the form and context in which it appears in this Prospectus.

Name	Role	Statement/Report
Mining Assets Pty Ltd	Independent Geologist	Independent Geologist Report, the Chairman's Letter, Section 1.3 and any other references in the Prospectus.
Mr Brendan Cummins	Competent Person	Nil
Ernst & Young	Investigating Accountant	Investigating Accountant's Report
Hardy Bowen Lawyers	Lawyers	Solicitors Report on Mining Tenements
Security Transfer Registrars	Share Registry	Nil

11. Rights Attaching to Securities

11.1 Rights and Restrictions Attaching to Shares

A summary of the rights attaching to Securities in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares or Options in any specific circumstances, the Shareholder should seek legal advice.

The Shares to be issued under this Prospectus will rank equally with the existing Shares.

This summary assumes that the Company is admitted to the Official List. See Section 3.9 for details.

11.2 Rights Attaching To Shares

(a) Voting Rights

Subject to the Constitution of the Company and any rights or restrictions at the time being attached to a class of shares, at a general meeting of the Company every Shareholder present in person, or by proxy, attorney or representative has one vote on a show of hands, and upon a poll, one vote for each Share held by the Shareholder and for each partly paid Share held, a fraction of one vote equal to the proportion which the amount paid up bears to the amounts paid or payable on that Share. In the case of an equality of votes, the chairperson has a casting vote.

(b) Dividends

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, the Company may pay dividends as the Directors resolve but only out of profits of the Company. The Directors may determine the method and time for payment of the dividend.

(c) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the Shareholders of the Company in proportion which the amount paid on the Shares bears to the total amount paid and payable on the Shares of all Shareholders of the Company.

(d) Transfer of Shares

Generally, Shares are freely transferable, subject to satisfying the requirements of the ASX Listing Rules, the Corporations Act and associated legislation. The Directors may decline to register any transfer of Shares but only where permitted to do so by the Corporations Act, the ASX Listing Rules and associated legislation.

(e) Directors

The Constitution and the ASX Listing Rules contain provisions relating to the rotation and election of Directors.

(f) Calls on Shares

Subject to the Corporations Act and the terms of issue of a Share, the Company may, at any time, make calls on the Shareholders of a Share for all, or any part of, the amount unpaid on the Share. If a Shareholder fails to pay a call or instalment of a call, the Company may, subject to the Corporations Act and ASX Listing Rules, commence legal action for all, or part of the amount due, enforce a lien on the Share in respect of which the call was made or forfeit the Share in respect of which the call was made.

(g) Further Increases in Capital

Subject to the Corporations Act, the ASX Listing Rules and associated legislation, the Company (under the control of the Directors) may allot and issue Shares and grant Options over Shares, on any terms, at any time and for any consideration, as the Directors resolve.

(h) Variation of Rights Attaching to Shares

Subject to the Corporations Act, the ASX Listing Rules and associated legislation and the terms of issue of shares in a particular class, the Company may vary or cancel rights attached to shares in that class by either special resolution passed at a general meeting of the holders of the shares in that class, or with the written consent of the holders of at least 75% of the votes in that class.

(i) General Meeting

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the ASX Listing Rules.

11.3 Rights Attaching to Options

(a) Exercise Date

The Options are exercisable wholly or in part at any time before 5.00 pm WST on the fifth anniversary of the issue date. Options not exercised by that date shall lapse.

(b) Exercise Price

Each Option shall entitle the Option holder to acquire one fully paid ordinary Share upon payment of the sum of the exercise price of \$0.20.

(c) Transfer of Options

The Options are transferable.

(d) Notice of Exercise

Each Option may be exercised by notice in writing to the Company at any time before their date of expiry. Any notice of exercise of an Option received by the Company with payment in full of the exercise price will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(e) Quotation of Options and Shares on Exercise

If the Company is admitted to the Official List, application will not be made to ASX for official quotation of the Options. Application will be made for official quotation of the Shares issued upon exercise of Options. The Options are not transferable except to an associate of the Option holder.

(f) Participation Rights or Entitlements

There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of securities offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six (6) business days after the issue is announced so as to give Option holders the opportunity to exercise their Options before the date for determining entitlements to participate in any issue.

(g) Shares Allotted on Exercise

Shares allotted pursuant to the exercise of Options will be allotted following receipt of all the relevant documents and payments and will rank equally with the issued Shares.

(h) Reconstruction of Share Capital

In the event of a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the option holder shall be reconstructed in accordance with the ASX Listing Rules.

(i) Bonus Issues

If, from time to time, before the expiry of the Options the Company makes a pro-rata issue of Shares to Shareholders for no consideration, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the date for calculating entitlements to the pro-rata issue.

12. Authorisation

This Prospectus is authorised by each of the Directors of the Company and each has consented to the lodgement of this Prospectus in accordance with section 720 of the *Corporations Act 2001*.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in black ink, appearing to read 'E. Cranston', with a long horizontal flourish extending to the right.

Evan Cranston
Non-Executive Director
Dated: 27 July 2011

13. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

Terms used in the Independent Geologist Report in Section 4 have the same meaning throughout this Prospectus unless otherwise defined.

\$	Australian Dollars.
Allotment Date	The date, as determined by the Directors, on which the Shares offered under this Prospectus are allotted which is anticipated to be the date identified in the Indicative Timetable.
Applicant	A person who submits an Application Form.
Application	A valid application for Shares made pursuant to an Application Form.
Application Form(s) or Form(s)	An application form attached to, or provided with, this Prospectus for the Shares offered pursuant to this Prospectus.
Application Monies	Application monies for Shares received and banked by the Company.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
ASXS	ASX Settlement Pty Ltd ACN 008 504 532.
ASXS Operating Rules	Operating rules of ASXS, except to the extent of any relief given by ASXS.
BIF	Banded Iron Formation; a rock consisting alternating bands or iron rich and iron poor horizons.
Board	The Directors of the Company as at the date of this Prospectus.
Booyeema Option	As defined in Section 8.2
Booyeema Option Agreement	As defined in Section 8.2.

Booyeema Project	The Booyeema Tenement as detailed in Section 8.2.
Booyeema Tenement	Exploration Licence 47/1090.
Business Day	A day on which ASX is open for trading.
CHESS	Clearing House Electronic Subregistry System.
Closing Date	The date specified as the closing date for the Offer in the Indicative Timetable of the Offer.
Company or Cradle	Cradle Resources Limited ACN 149 637 016.
Constitution	The current constitution of the Company.
Corporations Act	Corporations Act 2001 (Cth).
Deeds	As defined in Section 10.5(d).
Directors	The directors of the Company as at the date of this Prospectus.
DHEM	An electromagnetic system used to locate conductive sulphide bodies down a drill hole.
Eligible Employees	As defined in Section 8.4.
Employee Share Plan	As defined in Section 8.4.
Exposure Period	In accordance with section 727(3) of the Corporations Act, the period of 7 days (which may be extended by ASIC to up to 14 days) after lodgement of this Prospectus with ASIC during which the Company must not process Applications.
GST	Goods and Services Tax.
Helix	As defined in Section 8.2.
HIN	As defined in Section 3.11.
Ilmenite	As defined in Section 8.1.
Investigating Accountant	Ernst & Young.
Investigating Accountant's Report	The report prepared by the Investigating Accountant in Section 6.
Independent Geologist	Mining Assets Pty Ltd ACN 108 980 221.
Independent Geologist	The report in Section 4 prepared by the

Report	Independent Geologist.
Indicative Timetable	The indicative timetable set out in this Prospectus.
IP	Induced polarisation.
JORC	Joint Ore Reserves Committee.
Listing Rules	The official listing rules of ASX and any other rules of ASX which are applicable while any Shares are admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Mining Act	Mining Act 1990.
Native Title Act	Native Title Act 1993.
Native Title Agreement	As defined in Section 8.1.
Offer	The offer made under Section 3.1 of this Prospectus.
Offer Period	The period from the Opening Date up to and including the Closing Dates.
Official List	The official list of ASX.
Official Quotation	Official quotation of the Shares on the Official List.
Opening Date	The date specified as the opening date in the Indicative Timetable of the Offer.
Option or Options	An option granted by the Company to subscribe for one Share.
Participant	As defined in Section 8.4.
Plan Shares	As defined in Section 8.4.
Projects	The Booyeema Project and the Wyloo Project.
Prospectus	This Prospectus with the date in Section 12.
Raging Bull Mining	Raging Bull Mining Limited ACN 146 194 961
Section	A Section of this Prospectus.
Securities	A Share or Option issued or granted (as the case may be) by the Company.

Security holder	Any person holding Securities.
Share or Shares	Ordinary fully paid voting Shares in the capital of the Company.
Share Registry	Security Transfer Registrars Pty Ltd.
Shareholder	Any person holding Shares.
Solicitors Report	The report by Hardy Bowen in Section 5.
SRN	As defined in Section 3.11
Tenements	Booyeema Tenement and Wyloo Tenement.
VTEM	An airborne based electromagnetic system used to locate conductive sulphide bodies at depth.
WA Mining Act	Mining Act 1978 (WA).
WST	Western Standard Time, being the time in Perth, Western Australia.
Wyloo Option	As defined in Section 8.1.
Wyloo Option Agreement	As defined in Section 8.1.
Wyloo Project	The Wyloo Tenement as detailed in Section 8.1.
Wyloo Tenement	Exploration Licence 08/2142.

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