

CRADLE TO ACQUIRE THE PANDA HILL NIOBIUM PROJECT, TANZANIA

Highlights

- Cradle is to acquire a 50% interest in the Panda Hill Niobium Project, Tanzania, with a right to acquire the balance of the Project
- The Project has an established Niobium JORC Resource with potential to be highly economic, a scoping study will commence immediately following acquisition
- Part of the Vendor consideration is conditional upon a definitive feasibility study demonstrating a NPV10 of at least US\$400M
- The Resource is a JORC inferred 56Mt deposit at 0.50% Nb₂O₅ with an indicative strip ratio of 1:1
- The mineralization is open both at depth and along strike, extensional and in-fill drilling is planned immediately following acquisition
- The preliminary metallurgical recoveries are confirmed by historical test work
- The Project is located on granted Mining Licenses
- An experienced project management team is already assembled to drive the Project

The Acquisition

The Board of Cradle Resources Limited (ASX: CXX, CXXO) (Company or Cradle) is pleased to advise it has executed a Share Purchase Agreement (SPA) to acquire all the share capital (Acquisition) of Panda Hill Pty Ltd (Panda Hill) in consideration of the issue of 50 million ordinary shares and 50 million performance shares in Cradle to the Panda Hill shareholders (Vendors). The SPA is subject to the approval of Cradle shareholders and compliance with ASX Listing Rules. Panda Hill is owned by Verona Capital Pty Ltd (and its principals), a private resource project development team.

Panda Hill, the company being acquired by Cradle, holds:

- o A 49% shareholding in RECB Limited which it acquired for US\$3,340,000. RECB is a special purpose vehicle that owns 100% of the Panda Hill project (Project), which comprises three granted Mining Licenses and related data. RECB has no other material assets or liabilities.
- o An option to acquire a further 1% shareholding in RECB which was granted for a fee of US\$30,000 and is exercisable for an additional US\$30,000, subject to certain regulatory approvals.
- o The right to acquire the remaining 50% of RECB (or to acquire 100% of the Project assets directly) under an Earn-In/Option Agreement. Under this Agreement, Panda Hill will sole fund Project expenditure for up to 4 years. The balance 50% of the Project can be acquired by Panda Hill at any time during this 4 year period for US\$17.1 million less 25% of Project expenditure funded by Panda Hill (capped at a US\$5 million reduction). Panda Hill can elect to pay US\$5 million of the net purchase price in non-cash consideration, being either listed shares or a capped royalty, with the balance payable in cash.

Under the Earn-In/Option Agreement Panda Hill has management control of the Project during the 4 year period. Further, there is a shareholders agreement that protects Panda Hill's position as a shareholder of RECB with veto rights over significant decisions.

Cradle has loaned Panda Hill US\$3,370,000 to fund completion of the acquisition of the 49% shareholding and the 1% option. If the Acquisition of Panda Hill by Cradle is not completed this sum will be repaid to Cradle by Panda Hill (or its shareholders).

Upon completion, the only other liability of Panda Hill will be A\$600,000 in loans owed to seed investors, which will be converted to 3,333,333 shares in Cradle.

The 50 million performance shares to be issued by Cradle are convertible to ordinary shares as follows:

- 25 million subject to completion of a scoping study including metallurgical work and confirmatory drilling to the reasonable satisfaction of independent directors of Cradle as evidenced by a decision to proceed with work on the Project; and
- 25 million subject to completion of a definitive feasibility study on the Project which demonstrates a NPV10 of US\$400 million or greater. There is a pro-rata conversion if the NPV10 is between US\$300M and US\$400M.

The Vendors may appoint up to two directors to the Board of Cradle.

Cradle's Position Post Acquisition

Following the Acquisition, Cradle's position will be as follows:

- Ownership of a 50% interest in the Panda Hill Project¹.
- A 4 year option to acquire the balance 50% interest in the Project for approximately US\$14M, of which US\$9M is payable in cash and US\$5m in shares or a capped royalty².
- Management control of the Project.
- Net cash of approximately A\$2.6 million³.
- Issued share capital of 114.8M ordinary shares³ and 50M performance shares.

Notes: ¹ Assumes the 1% option is exercised

² Assumes about US\$12.4M is spent on Project development prior to exercise of the option

³ Assumes a further A\$2M is raised by Cradle, see below

The Project

Panda Hill is a highly attractive project that warrants immediate commencement of feasibility work.

The Project has been locked up by a single private owner for over 7 years, missing the opportunity represented by the China driven commodity price boom over that period. In June 2012 the Vendors acquired rights over the Project and thereupon arranged an initial JORC resource calculation, a preliminary mine plan, and initial project cost estimates. From this work the economic potential of the Project has become evident and strongly warrants further development.

There are only three Niobium producers world-wide, all highly profitable. The Niobium price is approximately US\$40,000 per tonne, about 5 times the copper price.

The third largest producer is Niobec (owned by Canadian listed Iamgold Limited), a 2Mtpa underground mining operation producing FeNb. Niobec has similar grade to Panda Hill, however, Niobec is an underground operation whereas Panda Hill is open-cut with a low strip ratio. It is apparent that Panda Hill has the potential to be highly economic.

Cradle intends to immediately commence a scoping study for a 2Mtpa operation at Panda Hill. The extraction process, which is utilized at all existing Niobium operations, involves a flotation circuit followed by a converter to produce FeNb. The Panda Hill ore has simple metallurgy and initial metallurgical testwork indicates economic recoveries.

FeNb is sold directly to steel mills world-wide and is used as an alloy to harden steel products. The demand for high strength steel products is increasing creating a favourable demand outlook for FeNb (see Appendix 3 for more information on the Niobium market).

The Vendors have undertaken a preliminary investigation into other undeveloped Niobium resources world-wide. The investigation confirmed there are no other known undeveloped Niobium resources with Panda Hill's combination of grade, open-cut operation and simple metallurgy. No new Niobium projects have entered production since 1976, notwithstanding the favourable Niobium price and demand outlook. Outside the three existing producers, there are no new Niobium projects currently financed or under construction, and none appear close.

Panda Hill therefore represents a rare opportunity to bring on an attractive new project into this profitable niche market.

See Appendix 1 for more information on the Project and the Resource.

The Management Team

The Vendors have assembled a strong team to manage the Project, with the next stage of Resource drilling and the scoping study already well planned.

The team is comprised of:

- Grant Davey Managing Director
- Brett Mitchell Commercial and Finance
- Keith Bowes Project Manager
- Russell Bradford Project Study Consultant
- Neil Inwood Resource Geologist
- Nick Castleden Exploration Geologist

In addition, a tender process for preferred resource, engineering, and metallurgy consultants has been completed.

See Appendix 2 for more information on the management team.

Capital Raising

Cradle will seek shareholder approval for the issue of 10 million shares (and up to an additional 5 million shares in oversubscriptions) at a price of at least 20 cents per share to raise at least A\$2 million (Capital Raising).

Notice of Meeting

The Company is currently preparing a notice of meeting for the purpose of seeking the requisite approvals from shareholders for the Acquisition, Board appointments, and the Capital Raising. The meeting documents will be dispatched to shareholders in coming weeks.

Re-Compliance with ASX Listing Rules

The Acquisition constitutes a change in the scale of the Company's activities in accordance with Chapter 11 of the ASX Listing Rules. The Company is required to re-comply with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules including obtaining shareholder approval, preparing a prospectus, and completing the

Capital Raising. A 24 month escrow period will apply to the shares and performance shares being issued to the Vendors.

Listing Timeline

Table 1: Indicative timeline for completion of the Acquisition and Capital Raising

Event	Date¹
Announcement of Acquisition	3 April 2013
Dispatch Notice of Meeting	12 April 2013
Prospectus Offer Opens	1 May 2013
Shareholder Meeting	15 May 2013
Prospectus Offer Closes	16 May 2013
Re-compliance with ASX Listing Rules	20 May 2013
Expected Date of Reinstatement to Trading	23 May 2013

¹The dates listed in the above table are indicative and may be subject to change

Capital Structure

Table 2: Indicative capital structure of Cradle Resources as a result of the Acquisition

Capital Type	Shares	Performance Shares	Options (Listed & Unlisted)
Current Issued Capital	51,500,000	-	24,000,000
Securities to be issued to Panda Hill Vendors	50,000,000	50,000,000	-
Shares to be issued to Panda Hill seed investors	3,333,333	-	-
Shares issued in Capital Raising	10,000,000	-	-
Total on Completion of Acquisition	114,833,333	50,000,000	24,000,000

The Company is not aware of any reason why the ASX would not allow trading to recommence immediately.

By order of the Board.

Patrick Walta

CEO

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Appendix 1

Panda Hill Niobium Project

The Panda Hill Niobium Project (Figure 1) is located in the Mbeya region in south western Tanzania, near the borders with Zambia and Malawi, and approximately 650km west of the capital Dar es Salam. The industrial city of Mbeya is situated only 35km from the Project area and will be a significant service and logistics center for the Project. Mbeya has a population of approximately 280,000 people, located on the main highway to the capital Dar es Salam and is completing the construction of a new international airport.

The Project is covered by three granted Mining Licenses (Figure 2) totaling 22.1km², which will enable a quick transition to the study and development phases, and has excellent access to infrastructure, with existing roads, rail, airports and 220kV power available in close proximity to the Project area. The three granted Mining Licenses are due for renewal in November 2016 and under Tanzanian mining legislation can be renewed for a further 10 year period on completion of the approved work programs on the Project.

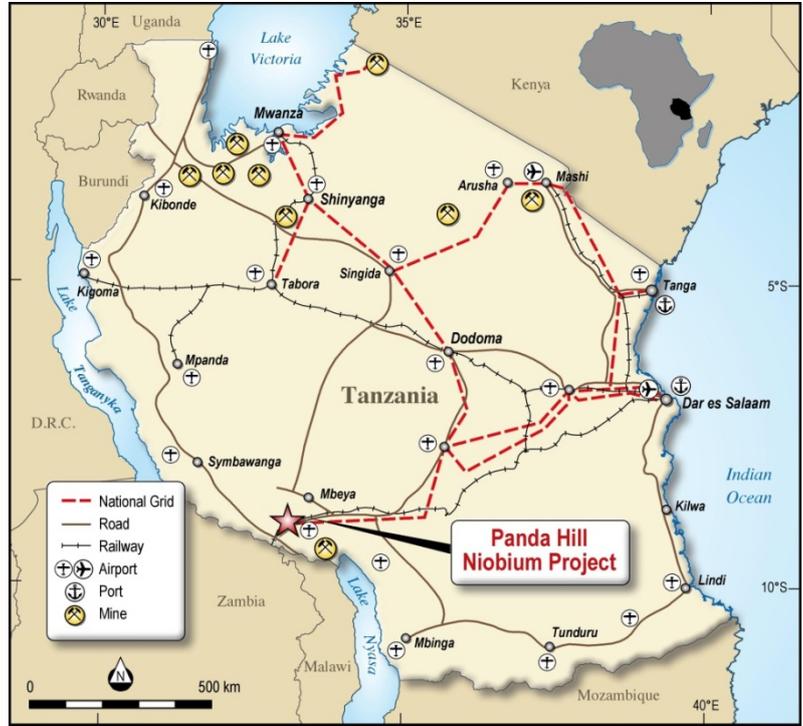


Figure 1: Location of the Panda Hill Niobium Project

A significant historical technical database on the Project has been acquired by Panda Hill, including drill core, mapping and assay data from campaigns undertaken in the 1950-1980's. This work has contributed to the resource information for an initial JORC Inferred resource estimate.

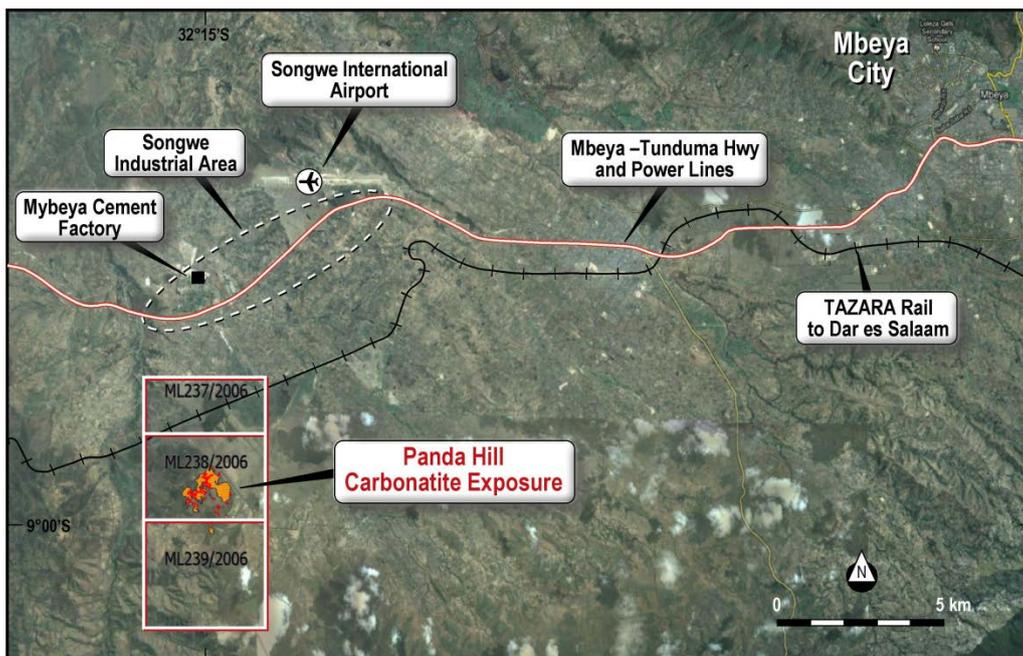


Figure 2: Mining Licenses and Local Infrastructure

Historical Work

The Panda Hill carbonatite has been subject to multiple phases of exploration work since the 1950's. This work has targeted the Niobium and Phosphate endowment of the deposit. From 1953 to 1965, the Geological Survey of Tanzania (GST) undertook mapping, diamond drilling and trenching (17 diamond holes for 1,405m) to assess the Niobium and Phosphate potential of the deposit.

From 1954 to 1963, the MBEXCO joint venture was formed between N.V. Billiton Maatschappij (Billiton) and Colonial Development Corporation, London. MBEXCO drilled 66 diamond holes for 3,708m, excavated numerous pits, sunk two shafts and undertook trial mining and constructed a trial gravity and flotation plant on site. Concentrate from site was sent to Holland for further processing, with positive early metallurgical testwork results noted.

From 1978 to 1980 a Yugoslavian State Enterprise (RUDIS) undertook a joint study in collaboration with the Tanzanian Mining Industrial Association and State Mining Corporation (STAMICO). This work included mapping, diamond drilling and pitting (13 diamond holes for 1,306m) to test the Niobium endowment of the deposit. Detailed reports have been secured from this program.

Panda Hill Niobium Resource

The resource update was undertaken by Coffey Mining in Perth in July 2012 (Table 3). The Coffey Inferred Resource only included fresh carbonatite mineralization. The mineralized fenite material has not yet been included in any resource studies. The resource estimate was based upon grade and lithological information derived from 96 historical diamond holes which was initially reviewed and validated by Verona Capital in 2012. The resource was constrained within a 3D wireframe based upon a nominal 0.2% Nb₂O₅ lower cutoff. Ordinary Kriging was used to estimate Nb₂O₅ using 2m down-hole composites with a 2.5% Nb₂O₅ upper cut applied.

Table 3 - Panda Hill Inferred Mineral Resource, 03 July 2012² (Preferred cut-off 0.3% Nb₂O₅)

Lower Cut-off (Nb ₂ O ₅ %)	Tonnage (Mt)	Grade (Nb ₂ O ₅ %)	Contained Mineral (Nb ₂ O ₅ tonnes)
0.2	72	0.45	322,000
0.3	56	0.50	280,000
0.4	38	0.58	220,000

Note: Figures have been rounded.
Reported using a Dry Bulk density of 2.75t/m³ and a 2.5% Nb₂O₅ top cut. Ordinary Kriged Estimate with a 25mX by 25mY by 5mZ block size

² The Competent Person for the resource estimation and classification is Ms Ellen Maidens who is a full time employee of Coffey Mining. The Competent person for the resource database is Mr Neil Inwood, who is a full time employee of Verona Capital. Both Ms Maidens and Mr Inwood are members of the AIG and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which was undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The detailed JORC Competent Persons statement is located below.

Exploration Upside

The Panda Hill Niobium Project retains significant upside for its exploration resource potential. The current resource is limited to drilling to an average depth of only 100m. This style of deposit is expected to have vertical depths in excess of 300m. The depth potential is supported by the deepest drillhole drilled by the GST (GS6) which finished in carbonatite at 253m from surface. Figure 3 provides a conceptual cross section of the Panda Hill Niobium deposit based on the current geological understanding. The shallow resource provides an excellent opportunity for open pit operations to occur.

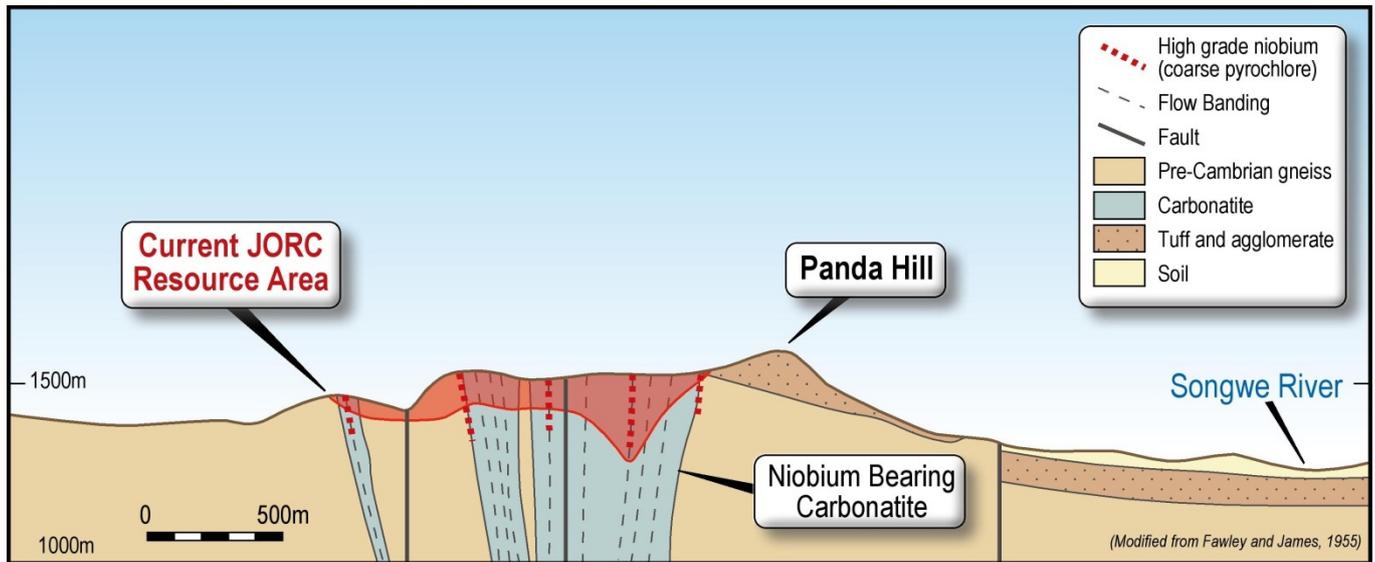


Figure 3: Conceptual cross section of the Panda Hill Niobium deposit

Additionally, the drilling has concentrated on the northern and central portions of the carbonatite intrusion on ML 238/2006, with the southern extents poorly explored. Carbonatite and fenite hosted mineralisation that has been mapped on ML239/2006 (Figure 4) has only been tested by one drillhole (VII/79) which terminated in mineralized carbonatite at 87m. This allows for possible trend extent to the south of the current resource.

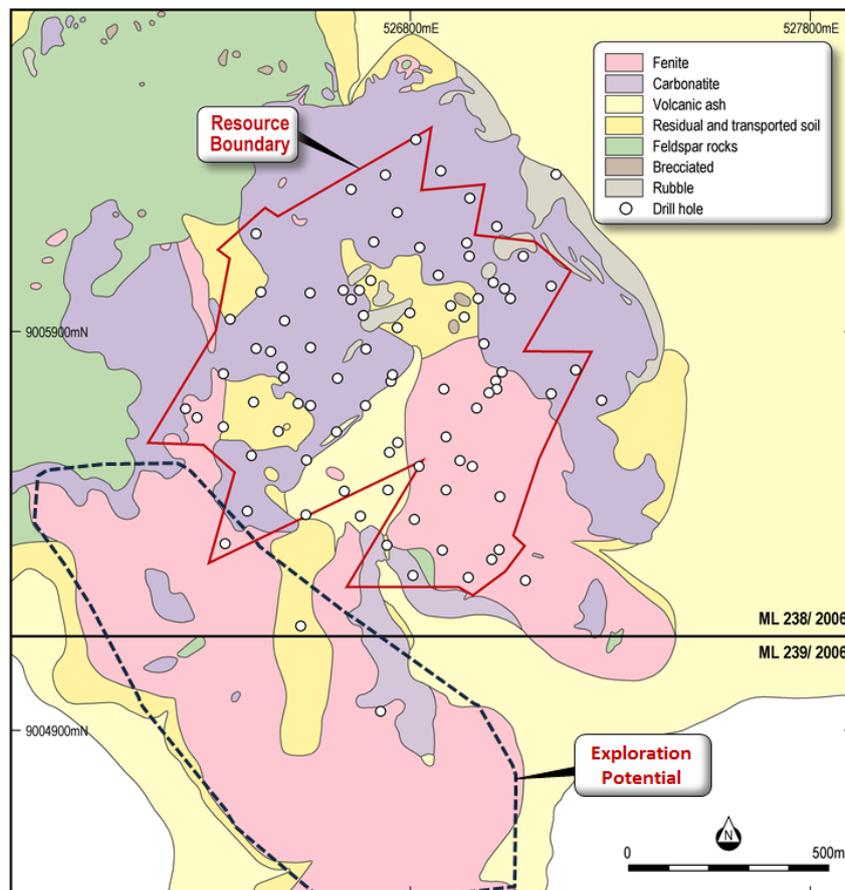


Figure 4: Local geology and exploration potential showing drill collars and resources outline

Processing Testwork

Initial processing testwork by SGS Lakefield in 2002 has also been encouraging. This work indicated metallurgical recoveries of between 61.5% and 79.4% for the carbonatite mineralization. These recoveries compare favorably to existing Niobium producers. Further detailed metallurgical test work has been planned for the next phase of the Panda Hill Project development.

Regional Geology

The geology of Tanzania is dominated by the central, Achaean Tanzanian Craton which is surrounded by younger Proterozoic fold belts. To the north, linear east-west trending greenstone belts set within the Craton host significant gold discoveries. A NW-SE trending mobile belt (ca 2000-1800) flanks the southwest of the Craton, with geology dominated by high-grade metamorphic lithologies. The dominant rocks are felsic gneisses and amphibolites, although granulites, late granites and marbles are also found. Parts of this mobile belt are covered by younger sediments and volcanic rocks.

A younger mobile belt lies south of the Craton, and is also dominated by high grade granulites and biotite gneisses. The belt trends easterly, but it's boundary with the Mozambique gneiss belt east of the Craton is obscured by Karroo and Neogene sediments.

During the Mesozoic and Cenozoic major rifting broke-up the eastern part of the African plate, affecting the older mobile belts surrounding the Tanzanian Craton. Two main branches of the rift system have been identified in Tanzania; east and west of the central Craton. This rifting created the basins that are now occupied by lakes Tanganyika, Rukwa and Nyasa in the western arm, and lakes Eyasi, Manyara and Natron in the eastern arm. Most of the known carbonatites in Tanzania occur in or close to the rift system.

The distribution of carbonatite intrusions in Tanzania is controlled by repeatedly rejuvenated deep shear zones within the Proterozoic mobile belts. All of the Cretaceous carbonatites are interpreted to have intruded along shear and fault zones; while the intrusions intruded during the Mesozoic are found close to post-Karoo faults and fault intersections. Carbonatite volcanism appears to be preferentially intruded along these persistently rejuvenated faults and shear structures, while rifting was a result of the reactivation of such structures.

Geology of Panda Hill Complex

The Panda Hill carbonatite is a mid-Cretaceous volcanic intrusion which has intruded into gneisses and amphibolites of the NE-SE trending mobile belt. It forms a steeply dipping, near-circular plug of approximately 1.5km diameter and is partly covered by fenitized country rocks and residual soil material. The Fenite forms a "cap" or roof over the carbonatite complex, and is in turn overlain by residual and transported soils. Volcanic ash over part of the complex suggests a later stage of volcanic activity. It is apparent that portions of fenite, ash and soil cover are underlain by carbonatite and these areas are only lightly explored.

In the main exposed portion of the carbonatite evidence supports three stages of carbonatite activity outwards from the center of the plug. An early-stage calcite carbonatite forms the core, while intermediate and late-stage carbonatites, composed of more magnesian-rich and iron-rich carbonates, form the outer parts of the plug. Later stage apatite-magnetite rich rocks and ferro-carbonatite dykes are also found in the complex. Fenitization of the pre-existing gneisses led to the development of potassium-rich rocks containing K-feldspar and phlogopite.

Mineralogy

Carbonatite from Panda Hill is composed mainly of calcite, which forms an average of 60-75% by volume. Samples containing up to 92% calcite have been reported from Panda Hill. The fresh carbonatite contains up to 5% Apatite, with pyrochlore, magnetite, phlogopite and quartz. These include quartz, Fe-oxides (goethite and hematite), and clay minerals dominated by kaolinite. Secondary phosphates belonging to the crandallite-goyazite-gorcexite group have also been found in the weathered products from Panda Hill.

Mineralisation

The bulk of the Panda Hill Niobium mineralization is found within pyrochlore and lesser columbite. The bulk of the known mineralization is within fresh, un-weathered carbonatite, with Nb₂O₅ grades typically ranging from 0.1% to 1%. Higher-grade material is noted within flow-banding (schlieren) within the carbonatite. The fenitized-cap material is noted to contain elevated grades of up to 2% Nb₂O₅.

Appendix 2

Experienced Management Team

Panda Hill was established initially in 2012 by Verona Capital as a special purpose vehicle to secure the Earn-In/Option Agreement on the Panda Hill Niobium Project, and build an experienced operational team to drive the project through its evaluation and study phases. Panda Hill is headed by Mr Grant Davey, who has extensive experience in developing and managing operating minerals projects in Africa.

Mr Davey will assume the role of Managing Director of the Company on completion of the transaction and will be strongly supported by his Verona Capital partners and the Project Team he has assembled to run the work programs.

Senior Management Team

Mr Grant Davey- Managing Director

Mr Grant Davey is a qualified mining engineer and has over 20 years senior management and operational experience where he has operated and constructed mines at a senior executive level in Africa, Australia, South America and Russia, in the gold, platinum and coal industries. In recent years Mr Davey has gained significant experience in the resource venture capital industry internationally. Mr Davey is a member of the Australian Institute of Company Directors.

Mr Craig Burton

Mr Craig Burton has 20 years' experience in financing, developing, and managing resource projects and businesses. He is the founding partner of Verona Capital and is an active investor in emerging ventures with a focus on the resource, oil and gas, and mining service sectors. Mr Burton is a co-founder of two ASX 200 companies, Mirabela Nickel Ltd and Panoramic Resources Ltd. He is also a co-founder and director of Capital Drilling Ltd, a mining services company listed on the London Main Board.

Mr Brett Mitchell

Mr Brett Mitchell is a corporate finance executive who has gained extensive experience in the resources sector over the past 15 years, and is a partner of Verona Capital. Mr Mitchell is a Director of Panda Hill Mining and will manage the corporate and finance activities of the Project.

Mr Mitchell is currently a Director of Transerv Energy Ltd, Citation Resources Ltd, Tamaska Oil and Gas Ltd, Wildhorse Energy Ltd and Quest Petroleum NL, and is a member of the Australian Institute of Company Directors.

Project Management Team

Mr Keith Bowes – Project Manager

Mr Bowes is an experienced project and operations manager with a metallurgical background and excellent experience in flotation, leaching and roasting of base metals and gold. Mr Bowes has worked in Africa, Australia and South America and is experienced in leading multi-disciplinary owners teams in delivering resource projects.

Mr Russell Bradford – Project Study Consultant

Mr Bradford will be consulting to the board of directors on project delivery. He is an experienced project executive with a metallurgical qualification and is particularly experienced in the execution of resource projects. Mr Bradford was the project director on the Tanzanian project, Mantra Uranium, and is currently the project director for Papillon Resources.

Mr Neil Inwood – Project Resource Geologist

Mr Neil Inwood is a professional geologist with 18 years multi-commodity experience in Australia, Africa, USA, Hungary, South America and Central Asia. Mr Inwood has been the Qualified Person (TSX) or Competent Person (ASX) for a variety of international uranium, gold, nickel, base metal, and iron ore projects.

Mr Inwood has acted in a primary technical role for mining companies in areas such as Resource Estimation, Independent Geologist Reports, Due Diligence studies, and Technical Audits. He was a Principal Resource Consultant at Coffey Mining, and has also held senior technical positions with Barrick Gold and Maxwell Geoservices.

Mr Nick Castleden – Project Exploration Geologist

Mr Nick Castleden is a geological consultant with over 20 years' experience in the Australian and overseas mineral exploration and development industry. He has worked with active Australian mining companies including Mt Isa Mines (MIM), Perilya Mines, MPI Mines, LionOre and Breakaway Resources in various exploration, geological and management capacities.

Mr Castleden has worked on projects in Australia and North and South America, and in project generative and acquisition roles. He has particular experience in the gold, nickel and base metal exploration business and has participated in the discovery and delineation of new nickel-sulphide and gold systems that have progressed through feasibility studies to mining.

Appendix 3

Niobium Market Overview

Niobium (Nb) is a transition metal primarily used in the production of high strength low alloy steel products. Niobium alloyed steel is stronger, lighter and more corrosion resistant. As such, Niobium demand stems from industries requiring high grade steels including automotive, construction, shipbuilding and oil and gas pipeline development.

Figure 6 below provides a description of the benefits of Niobium in the automotive industry. Utilizing US\$9 of Niobium in a standard family sedan leads to a 100kg weight reduction and provides ongoing fuel savings of 1 litre per 200 km. This results in a reduction of 2.2 tonnes of CO₂ per vehicle, which is greater than the total amount of CO₂ created during the production of all steel required for the vehicle.



Figure 6: Automotive industry cost benefits of Niobium alloying in steel (Source: lamgold)

The benefits of Niobium alloyed steel are also utilised in the construction industry. As pictured in Figure 7, the Oresund Bridge connecting Sweden and Denmark was constructed with steel containing 0.022% Niobium. This reduced the total weight by 15,000 tonnes and resulted in a saving of US\$25 million in construction costs.



Figure 7: Construction industry cost benefits of Niobium alloying in steel (Source: lamgold)

Niobium Demand

Niobium demand growth can be achieved from two sources, namely global steel production levels and also the intensity (concentration) of Niobium used in steel alloying. As Figure 8 shows, significant growth in both these demand drivers has occurred since the early 2000s.

Consumption of Niobium is forecast to increase substantially over the next twenty years due to a likely increase in the percentage of steel products utilizing Niobium from current levels of 11.2% towards 20% (Sources: GBE and Roskill Information Services). Increased usage intensity is anticipated to be particularly evident in developing nations, which currently utilize approximately 50% less Niobium in steel compared with developed nations.

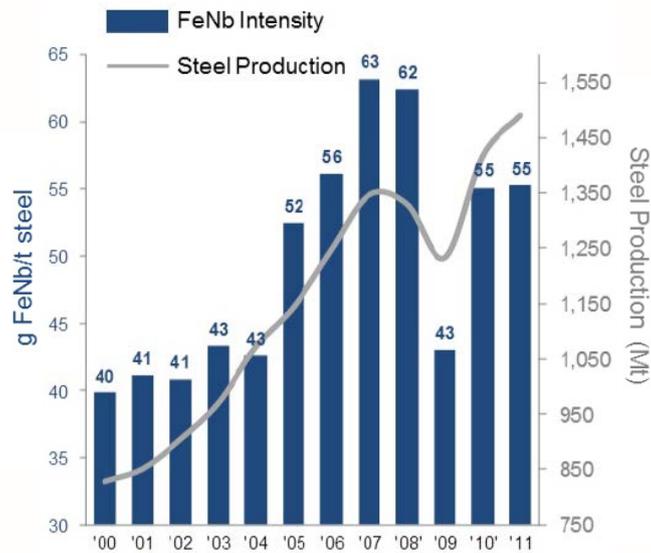


Figure 8: Historical Niobium usage intensity and steel production (Source: lamgold)

Niobium is also classified as a ‘Strategic Metal’ by the US and a ‘Critical Metal’ by the EU due to lack of substitutes, limited domestic availability, and the metal being considered essential to national security.

Table 4 below outlines recent purchases of equity in CBMM, the world’s largest Niobium producer. These transactions highlight the strategic importance to end users of access to niobium.

Table 4: Recent Niobium market transactions

Seller	Seller Status	Buyer	Price	Equity	Transaction Date
CBMM	Producing Operations	Japanese & Korean Consortium (inc. Nippon Steel, POSCO & JFE Steel)	US\$1.95 Billion	15%	March 2011
CBMM	Producing Operations	Chinese Consortium (inc. CITIC Bank, Baosteel & Anshon Iron)	US\$1.98 Billion	15%	September 2011

Appendix 4

Overview of Tanzania

Tanzania is located on the east coast of Africa and borders Kenya, Uganda, Rwanda, Burundi, the Democratic Republic of Congo, Zambia, Malawi and is immediately to the north of Mozambique. The population of Tanzania is approximately 46M.

Political Content

An English speaking democracy with an elected head of state, Tanzania was formed in 1964 by the unification of mainland Tanganyika and the isles of Zanzibar to become the first East African state to gain independence in 1961.

The ruling party, the Chama cha Mapinduzi (CCM) has dominated domestic politics since independence. On October 30, 2010, the incumbent president Mr Jakaya Kikwete was re-elected for his second and last term in office with 61% of the votes, and the CCM won 70 % of the seats in parliament.

Tanzania is party to several trading arrangements. At the regional level, Tanzania is a member of the East African Community (EAC); together with its neighbours, Kenya, Uganda, Burundi, and Rwanda. A customs union was established among the member states in 2005, and a common external tariff has been adopted. Tanzania is also an active member of the Southern African Development Community (SADC).

Infrastructure

In 2010, Tanzania embarked on a major road, rail and power generation infrastructure development program, the objective of which is to open vast areas of the country for economic development and to provide reliable communication between various regions and efficient transport for passengers and goods.

Economic Overview

Tanzania has sustained high economic growth over the last decade, driven by structural reforms and, steadily increasing levels of exports. Growth in GDP has been between 5% and 7% in recent years, underpinning improved development results. The drivers of growth over the past decade have been mining, construction, communications, and the financial sector.

Recent mining and exploration developments within Tanzania include:

- China's Sichuan Hongda signing a \$3 billion deal with Tanzania to mine coal and iron ore. Dubbed "the single-biggest investment deal in East Africa", Sichuan Hongda will own 80% of the joint venture project, with the remaining 20% stake held by Tanzania's state-run National Development Corporation (NDC)
- The US\$1-billion acquisition of the Nyota uranium project by ARMZ
- RMZ, which owns 51% of Uranium One, recently purchasing Mantra Resources, which owns Mkuju River, a large Uranium project under feasibility study

Competent Person's Statement

The information in this document that relates to Exploration Results is based on information compiled or reviewed by Mr Neil Inwood who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Inwood is a full time employee of Verona. Mr Inwood 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Inwood consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

The competent person for the JORC Resource estimate and classification is Ms Ellen Maidens who is a Member of the Australian Institute of Geoscientists. Ms Maidens is a full time employee of Coffey Mining and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Maidens consents to the inclusion in this document of the matters based on her information in the form and context in which it appears.

Disclaimer

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All statements, economic and technical analysis and other information contained in this document related to Cradle, Verona or the Project, trends in revenue, estimated earnings, gross margin and anticipated expense levels, as well as other statements about anticipated future events or results, constitute forward-looking statements. Forward-looking statements often, but not always, are identified by the use of words such as 'seek', 'anticipate', 'believe', 'plan', 'estimate', 'expect', 'intend', 'forecast', 'project', 'likely', 'potential', 'target' and 'possible' and statements that an event or result 'may', 'will', 'would', 'should', 'could' or 'might' occur or be achieved and other similar expressions. Forward-looking statements are subject to known and unknown business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements are based on estimates and opinions of management at the date the statements are made.

Cradle and Verona do not undertake any obligation to update forward-looking statements even if circumstances or management's estimates or opinions should change. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

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