

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Cradle Resources Limited

ABN

60 149 637 016

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | (a) Fully Paid Ordinary Shares
(b) Listed Options
(c) Class A Performance Shares
(d) Class B Performance Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 52,550,000 Fully Paid Ordinary Shares
(b) 5,650,000 Listed Options
(c) 18,750,000 Class A Performance Shares
(d) 18,750,000 Class B Performance Shares |

+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>(a) Fully Paid Ordinary Shares</p> <p>(b) Listed Options ex \$0.2667 and expiring on 24 January 2015</p> <p>(c) Class A Performance Shares, convertible into one (1) fully paid ordinary share upon a change of control event or the satisfaction, prior to four (4) years from the date of issue of the completion of a scoping study, including metallurgical work and confirmatory drilling, to the reasonable satisfaction of the independent directors of the Company as evidenced by a decision to proceed with work on the Project</p> <p>(d) Class B Performance Shares, convertible into one (1) fully paid ordinary share upon a change of control event or the completion of a Definitive Feasibility Study on the Project which demonstrates an NPV of at least US\$400 million (assuming a 10% discount rate and long term market contract price)</p>
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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>(a) Fully Paid Ordinary Shares – Yes</p> <p>(b) Listed Options – Yes, rank equally with existing class of listed options (CXXO)</p> <p>(c) Class A Performance Shares – No, but will rank equally with fully paid ordinary shares upon conversion</p> <p>(d) Class B Performance Shares – No, but will rank equally with fully paid ordinary shares upon conversion</p>
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<p>5 Issue price or consideration</p>	<p>(a) 11,300,000 Fully Paid Ordinary Shares - \$0.20 per Ordinary Share, with one (1) free attaching option (issued for nil cash consideration) for every two (2) Ordinary Shares issued</p> <p>(b) 37,500,000 Fully Paid Ordinary Shares - nil issue price; consideration - see section 6 below</p> <p>(c) 18,750,000 Class A Performance Shares - nil issue price; consideration - see section 6 below</p> <p>(d) 18,750,000 Class B Performance Shares - nil issue price; consideration - see section 6 below</p> <p>(e) 3,750,000 Fully Paid Ordinary Shares - deemed issue price of \$0.16 per Ordinary Share</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(a) Fully Paid Ordinary Shares - 11,300,000 Ordinary Shares issued by the Company pursuant to the Replacement Prospectus dated 31 May 2013 and as approved by the shareholders at the General Meeting held on 26 June 2013</p> <p>(b) Listed Options - 5,650,000 free attaching Listed Options issued by the Company pursuant to the Replacement Prospectus dated 31 May 2013 and as approved by the shareholders at the General Meeting held on 26 June 2013</p> <p>(c) Fully Paid Ordinary Shares - 37,500,000 Ordinary Shares issued by the Company pursuant to the Share Sale Agreement (as varied) (Share Sale Agreement) entered into between the Company and the shareholders of Panda Hill Mining Pty Ltd (Panda Hill) as part consideration for the sale of all of the issued capital of Panda Hill</p> <p>(d) 18,750,000 Class A Performance Shares and 18,750,000 Class B Performance Shares issued by the Company pursuant to the Share Sale Agreement as part consideration for the sale of all of the issued capital of Panda Hill</p> <p>(e) Fully Paid Ordinary Shares - 3,750,000 Ordinary Shares issued to the Panda Hill lenders, pursuant to the acquisition by the Company of the Panda Hill loans under the Panda Hill loan offer</p>

+ See chapter 19 for defined terms.

6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
6b	<p>The date the security holder resolution under rule 7.1A was passed</p>	<p>31 August 2012</p>
6c	<p>Number of +securities issued without security holder approval under rule 7.1</p>	<p>Nil</p>
6d	<p>Number of +securities issued with security holder approval under rule 7.1A</p>	<p>Nil</p>
6e	<p>Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>(a) 52,550,000 Fully Paid Ordinary Shares (b) 5,650,000 Listed Options (c) 18,750,000 Class A Performance Shares (d) 18,750,000 Class B Performance Shares</p> <p>Approved by the shareholders at the General Meeting held on 26 June 2013</p>
6f	<p>Number of securities issued under an exception in rule 7.2</p>	<p>Not applicable</p>
6g	<p>If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.</p>	<p>Not applicable</p>
6h	<p>If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements</p>	<p>Not applicable</p>

6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	See Annexure 1	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	19 and 23 July 2013	
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		92,625,000	Ordinary Shares
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	16,687,500	Options ex \$0.2667, exp 24/1/15
		Number	+Class
		18,750,000	Class A Performance Shares
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	18,750,000	Class B Performance Shares
		7,687,500	Options ex \$0.2667, exp 31/5/16
		The Company does not have a dividend policy	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	Not applicable
12	Is the issue renounceable or non-renounceable?	Not applicable
13	Ratio in which the +securities will be offered	Not applicable
14	+Class of +securities to which the offer relates	Not applicable
15	+Record date to determine entitlements	Not applicable

+ See chapter 19 for defined terms.

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Not applicable
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Not applicable
19	Closing date for receipt of acceptances or renunciations	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not applicable

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Despatch date	Not applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Quotation agreement


- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 25 July 2013
Company Secretary

Print name: SOPHIE RAVEN
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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	1,175,000 Ordinary Shares restricted to 17 June 2012 13,375,000 Ordinary Shares restricted to 14 September 2013
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>25,000 Ordinary Shares (released from escrow on 1 June 2012)</p> <p>150,000 Ordinary Shares (released from escrow on 17 June 2012)</p> <p>1,000,000 Ordinary Shares (released from escrow on 9 September 2012)</p> <p>20,000,000 Ordinary Shares (issued on 30 November 2012)</p> <p>4,000,000 Ordinary Shares (issued on 7 December 2012)</p> <p>52,300,000 Ordinary Shares (issued on 19 July 2013, with 37,500,000 Ordinary Shares restricted for 24 months from date of quotation)</p> <p>250,000 Ordinary Shares (issued on 23 July 2013)</p>
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil

“A”	92,275,000
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Step 2: Calculate 15% of “A”

“B”	0.15 <i>[Note: this value cannot be changed]</i>
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Multiply “A” by 0.15	13,841,250
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Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used

<p><i>Insert</i> number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
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“C”	Nil
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Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1

<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	13,841,250
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<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	Nil
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Total [“A” x 0.15] – “C”	13,841,250
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Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	92,275,000
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	9,227,500
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	0

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	9,227,500
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	0
Total [“A” x 0.10] – “E”	9,227,500 <i>[Note: this is the remaining placement capacity under rule 7.1A]</i>

+ See chapter 19 for defined terms.