

28 November 2016

ASX Release

ASX Code: CXX

ADDENDUM TO NOTICE OF ANNUAL GENERAL MEETING

Cradle Resources Limited (Cradle) confirms the release of the attached revised Schedule 2 to the Notice of Annual General Meeting released on 31 October 2016, which now includes the value of the 2,000,000 free-attaching unlisted options issued on 16 June 2016.

By order of the Board

For further information, please visit www.cradleresources.com.au or contact:

James Kelly

Executive Director

Tel: +61 8 9389 2000

Email: jamesk@cradleresources.com.au

SCHEDULE 2 – ISSUES OF EQUITY SECURITIES SINCE 28 OCTOBER 2015

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 6 November 2015 Appendix 3B – 10 November 2015	6,200,000	Ordinary Shares ²	RECB Limited	No issue price (non-cash consideration)	Issued as part consideration for the sale of the Panda Hill mining licences from RECB Limited to Panda Hill Tanzania Ltd. Current value ³ = \$1,612,000
Issue – 21 April 2016 Appendix 3B – 20 April 2016	19,800,000	Ordinary Shares	Holders of Class B Performance Shares and Performance Rights	No issue price (non-cash consideration)	Issued by the Company following the conversion of 18,750,000 Class B Performance Shares and 1,050,000 Performance Rights. Current value ³ = \$5,148,000
Issue and Appendix 3B – 6 May 2016	750,000	Unlisted Options exercisable at 25 cents each on or before 31 October 2018	Robert Behets	No issue price (non-cash consideration)	Issued as part remuneration for services. Fair value ⁴ = \$30,382
Issue and Appendix 3B – 16 June 2016	10,000,000	Ordinary Shares	Sophisticated investors	\$0.27 per share (for 8,000,000 Ordinary Shares) and \$0.30 per share (for 2,000,000 Ordinary Shares)	Cash. Current value ³ = \$2,600,000
Issue and Appendix 3B – 16 June 2016	2,000,000	Unlisted Options exercisable at 30 cents each on or before 30 June 2018	Sophisticated investor	No issue price; free attaching options to the 2,000,000 Ordinary Shares issued at \$0.30 each on 16 June 2016	Free attaching options to Ordinary Shares. Fair value ⁴ = \$278,757

Notes:

- Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
- Fully paid ordinary shares in the capital of the Company, ASX Code: CXX (terms are set out in the Constitution).
- In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.26) on the ASX on 27 October 2016.
- In respect of the unlisted options, the fair value is at 31 October 2016 based on a binomial option pricing method at the grant date of the options, that takes into account the exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The expected life of the options is based on historical data, and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.