

13 August 2021

Ms Elizabeth Harris
Manager, Listings Compliance (Perth)
ASX Limited

By Email: ListingsCompliancePerth@asx.com.au

Dear Ms Harris

Cradle Resources Ltd (“CXX”): Appendix 3Y – Change of Directors Interests

We refer to your letter dated 12 August 2021 and provide our responses to your questions below.

1. Each Director is aware of their obligations in relation to Listing Rule 3.19. The Appendix 3Y was lodged late due to an administrative oversight.
2. The Company has entered into agreements with each of its directors, which places an obligation on the directors to notify the Company of a change in a director’s relevant interests. Further any director wishing to trade in the Company’s securities must first obtain the consent to do so from the Chairman and Company Secretary in accordance with the Company’s Securities Trading Policy. A process which was followed in this instance. Also the Company receives regular share movement reports which alert the Company to any movement in director and executive’s security holdings.
3. The Company believes its current arrangements, as detailed above, are appropriate and sufficient, and accordingly does not believe any further steps are required to ensure compliance.

Yours sincerely

Chris Bath
Company Secretary



12 August 2021

Reference: 37930

Mr Chris Bath
Company secretary
Cradle Resources Limited
Emerald House
1202 Hay Street
West PERTH WA 6005

By email: cbath@cradleresources.com.au

Dear Mr Bath

Cradle Resources Limited ('CXX'): Appendix 3Y – Change of Director's Interest Notice Query

ASX refers to the following:

1. CXX's Appendix 3Y lodged on the ASX Market Announcements Platform ('MAP') on 27 July 2021 for Mr Grant Davey (the 'Notice');
2. Listing Rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 *'The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*

- *On the date that the entity is admitted to the official list.*
- *On the date that a director is appointed.*

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*

3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.'*

3. Listing rule 3.19B which states that:

'An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.'

The Notice indicates that a change in Mr Davey's notifiable interest occurred between 8 and 22 July 2021. It appears that the Notice should have been lodged with ASX by 15 July 2021. Consequently, CXX may have

breached Listing Rules 3.19A and/or 3.19B. It also appears that Mr Davey may have breached section 205G of the *Corporations Act 2001* (Cth).

Request for Information

Under Listing Rule 18.7, we ask that you answer each of the following questions having regard to Listing Rules 3.19A and 3.19B and *Guidance Note 22: Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*.

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does CXX have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does CXX intend to take to ensure compliance with Listing Rule 3.19B?

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **3:00 PM (AWST) on Tuesday, 17 August 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CXX's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require CXX to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in CXX's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in *Guidance Note 16 Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in CXX's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CXX's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that CXX's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Elizabeth Harris
Manager, Listings Compliance (Perth)