

1- FOR- 4.4 PRO-RATA NON-RENOUNCEABLE ENTITLEMENT OFFER BOARD CHANGES

Highlights:

- 1 for 4.4 pro-rata non-renounceable entitlement offer to raise approximately \$694k.
- New Shares to be issued at \$0.02 per share, representing a ~41% discount to last close.
- Proceeds from the equity raising will be used to accelerate assessment and acquisition of new business opportunities and assets following recent disposal of interests in the Panda Hill Niobium Project.
- Equitable opportunity for all eligible existing shareholders to participate in the equity raising on a pro-rata basis.
- David Wheeler to bring extensive experience to the Board as Non-Executive director replacing Craig Burton on completion of equity raising.

Offer details

Cradle Resources Limited (Company) is pleased to announce it is undertaking a fully underwritten, non-renounceable pro-rata offer (Offer) to Eligible Shareholders of new ordinary fully paid shares in the Company (New Shares) each at an issue price of \$0.02 on the basis of 1 New Share for every 4.4 Shares held.

The Offer will raise approximately \$694k (before costs). The Company will use proceeds raised to assess and acquire new business opportunities and assets following the recent divestment of its interests in the Panda Hill Niobium Project in Tanzania to Panda Hill Mining Ltd, which divestment was approved by Shareholders at the general meeting held 30 July 2021 (Demerger). Following the Demerger, ASX have advised that they will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules pursuant to Listing Rule 11.1.3 with respect to any future transaction the Company may enter into. The Company has a period of 6 months from 28 June 2021 to demonstrate its operations are sufficient to warrant its continued listing otherwise ASX will suspend trading in the Company's securities on 28 December 2021.

No Shareholder approval is required for the Offer. The Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable. Eligible Shareholders who do not take up their entitlement under the Offer, in full or in part, will not receive any value with respect to those entitlements not taken up.

Further details of the Offer are set out in the Offer Document which will be lodged on the ASX today. The Offer Document will also be available on the Company's website www.cradleresources.com.au. A copy of the Offer Document and a personalised Entitlement and Acceptance Form will be sent to Eligible Shareholders no later than 2 September 2021.

Eligibility criteria

Eligible Shareholders are persons who are registered as a holder of Shares in the Company as at 5.00pm (WST) on the Record Date of 30 August 2021 and have a registered address in Australia, New Zealand, Jersey Channel Islands or Switzerland. Shareholders not satisfying these criteria will not be eligible to participate in the Offer.

Underwriting

The Offer is fully underwritten by CPS Capital Group Pty Ltd who will be paid a fee of 6% of the amount underwritten. Directors, Mr Chris Bath and Mr Grant Davey have entered into sub-underwriting arrangements with the Underwriter for a portion of the Shortfall Shares (Mr Davey \$140,000 and Mr Bath \$68,300).

Effect of the Offer

The Company currently has 152,748,622 Shares on issue. Approximately 34,715,595 New Shares will be issued pursuant to the Offer (subject to rounding down of fractional entitlements) representing 18.5% of issued capital following the Offer.

Indicative Timetable*

The proposed timetable for the Offer is as follows:

| | |
|---|--------------------------|
| Announcement of Offer, lodgement of Offer Document, Appendix 3B and s708AA cleansing notice | 25 August 2021 |
| Existing Shares quoted on an "ex" basis | 27 August 2021 |
| Record Date (5pm AWST) | 30 August 2021 |
| Offer opens Offer Document and Entitlement & Acceptance Form sent to Eligible Shareholders and Notices sent to Ineligible Shareholders | 2 September 2021 |
| Closing Date (5pm AWST) | 16 September 2021 |
| Securities quoted on a deferred settlement basis | 17 September 2021 |
| Company to notify ASX of under subscriptions (if any) | 21 September 2021 |
| Anticipated date for the issue of the New Shares and lodgement of Appendix 2A | 22 September 2021 |
| Despatch of holding statements and commencement of trading in New Shares | 23 September 2021 |

** The timetable above is indicative only and may change. The Company may change any of the dates and times without notice, subject to the Corporations Act 2001 (Cth), ASX Listing Rules and applicable laws. In particular, the Company reserves the right to extend the Closing Date, to accept late applications under the Offer (either generally or in particular cases) and to withdraw the Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the issue date of New Shares.*

For further details about the Offer, please refer to the Offer Document which contains important information including key risks and foreign offer restrictions with respect to the Offer. For other questions, you should consult your broker, solicitor, accountant, tax adviser, financial adviser or other professional adviser.

Board changes

The Company is pleased to welcome Mr David Wheeler to the Board as Non-Executive Director replacing Craig Burton, effective from completion of the Offer.

The Board thanks Mr Burton for his dedicated service and leadership and wishes him well for the future.

Mr Wheeler will bring extensive experience to the Board with more than 30 years of executive management, directorship and corporate advisory experience. He is a foundation director and partner of Pathways Corporate, a boutique corporate advisory firm that undertakes assignments on behalf of family offices, private clients and ASX listed companies. Mr Wheeler has successfully engaged in business projects in the USA, UK, Europe, NZ, China, Malaysia, Singapore and the Middle East. Mr Wheeler is a Fellow of the Australian Institute of Company Directors and serves on public and private company boards currently holding a number of directorships and advisory positions with ASX listed companies.

Executive Director, Grant Davey, said "We are very pleased to welcome David to the Board. His corporate advisory background complements the Board's existing mix of skills and David's considerable experience with ASX listed companies will support the Company in delivering its strategy in this next new and exciting chapter".

Authorised for release by the Board of Cradle Resources Limited.

Chris Bath
Director and Company Secretary

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.