

## Quarterly Report

### 30 September 2021

#### Summary

- Completed a fully underwritten, non-renounceable pro-rata entitlement offer during the quarter to raise approximately \$694,000 before costs
- Shareholders approved the transfer of Cradle's interest in the Panda Hill Niobium Project in Tanzania to Panda Hill Mining Limited (**PHM**) and the in-specie distribution of PHM shares to Cradle shareholders
- Mr David Wheeler joined the Board as Non-Executive Director replacing Mr Craig Burton
- The Company continues to review project opportunities in the resources sector

Cradle Resources Limited (**Cradle** or the **Company**) is pleased to provide its Quarterly Report for the period ended 30 September 2021.

#### Capital Raising

During the quarter the Company completed a non-renounceable pro rata fully underwritten entitlement offer to Eligible Shareholders of New Shares each at an issue price of \$0.02 on the basis of 1 New Share for every 4.4 Shares held to raise approximately \$694,000 (**Offer**).

The Offer closed on 21 September 2021, with the Company receiving acceptances for 16,252,714 New Shares, resulting in a shortfall of 18,462,882 New Shares. The shortfall was placed via the underwriter, CPS Capital Pty Ltd.

Following completion of the Offer, Cradle has 187,464,218 shares on issue.

#### Demerger and In-specie Distribution

On 30 July 2021 shareholders of Cradle approved the disposal of its 37.2% interest in Panda Hill Tanzania Ltd (**PHT**), the owner of the Panda Hill Niobium Project, to Panda Hill Mining Limited (**PHM**) and the in-specie distribution of 152,748,622 shares it holds in PHM ("In-specie Shares") to eligible Cradle shareholders on a pro-rata basis. Cradle is transferring its beneficial interest in the Project (i.e. the PHT Shares) to PHM, rather than the legal interest, as a transfer of the legal interest of the PHT Shares requires the approval of the Tanzanian Fair Competition Commission (FCC Transfer Approval). Upon FCC Transfer Approval, Cradle will transfer the legal interest in the PHT Shares to PHM.

To date, FCC Transfer Approval has not been received. If FCC Transfer Approval is not received, Cradle will hold the legal title in PHT Shares under a trust arrangement between Cradle and PHM, and PHM will hold the beneficial title to the PHT Shares.

Following the Demerger, the Company is focused on assessing and acquiring new business opportunities and assets. ASX will require the Company to seek Shareholder approval pursuant to Listing Rule 11.1.2 and 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.

ASX will allow the Company 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.

**Board changes**

The Company is pleased to welcome Mr David Wheeler to the Board as Non-Executive Director replacing Mr Craig Burton, effective from 13 October 2021.

**Payments to related parties of the entity and their associates**

Amounts included in section 6.1 of the attached Appendix 5B are as follows:

- Payment of \$37,500 for executive, non-executive and company secretarial fees to entities nominated by relevant directors;
- Payment of \$29,844 to Matador Capital Pty Ltd, an entity associated with Mr Grant Davey, pursuant to a Shared Services Agreement in which Matador Capital Pty Ltd provides office space, general office services, bookkeeping and accounting services and IT hardware & infrastructure.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Cradle Resources Limited

ABN

60 149 637 016

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(37)	(37)
(e) administration and corporate costs	(228)	(228)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	(1)	(1)
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(266)</b>	<b>(266)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other - PHM share subscription	(200)	(200)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(200)</b>	<b>(200)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	694	694
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(46)	(46)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>648</b>	<b>648</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	487	487
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(266)	(266)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(200)	(200)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	648	648

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>669</b>	<b>699</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	669	669
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>669</b>	<b>669</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(67)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(266)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(266)
8.4 Cash and cash equivalents at quarter end (item 4.6)	669
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	669
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	2.5
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	

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**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**


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8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 26 October 2021

Authorised by: **Board of Cradle Resources Limited**  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.