Annual Report
2022

Cradle Resources Limited
ABN 60 149 637 016

Corporate Directory

Directors

Grant Davey Executive Director
Chris Bath Non-Executive Director
David Wheeler Non-Executive Director

Company Secretary

Brian Scott

Registered Office

Level 20

140 St Georges Terrace
Perth WA 6000

Tel: +61 8 9200 3425
Fax: +61 8 9200 4961

Stock Exchange Listing

Cradle Resources Limited shares are listed on the Australian Securities Exchange

ASX Code: **CXX**

Share Registry

Link Market Services Limited
QV1 Building
Level 12, 250 St Georges Terrace
Perth WA 6000

Tel: 1300 554 474
Int: +61 1300 554 474

Auditors

Ernst & Young
11 Mounts Bay Road
Perth WA 6000

Website

www.cradleresources.com.au

The terms the **Company** and **Group/Consolidated Entity** are used in this report to refer to Cradle Resources Limited and/or its subsidiaries.

Table Contents

Directors' report

The Directors present their report together with the consolidated financial statements of the Group comprising Cradle Resources Limited ("Cradle") and its subsidiaries for the financial year ended 30 June 2022.

Directors

The names and details of the Company's directors in office during the whole of the financial year and until the date of this report are set out below.

Grant Davey
BSc, MAICD
Executive Director

Mr Davey is an entrepreneur with 30 years of senior management and operational experience in the development, construction and operation of precious metals, base metals, uranium and bulk commodities throughout the world. More recently, he has been involved in venture capital investments in several exploration and mining projects and has been instrumental in the acquisition and development of the Panda Hill niobium project in Tanzania, the Cape Ray gold project in Newfoundland and more recently the acquisition of the Kayelekera Uranium mine in Malawi from Paladin Energy Limited. He is currently a director of Lotus Resources Limited (ASX:LOT) and TSX-V listed Metallum Resources Inc and is a member of the Australian Institute of Company Directors.

Mr Davey was appointed a Director of the Company on 27 July 2017. Mr Davey was also a Director of the Company from 15 April 2013 to 10 November 2015.

Directorships of other listed entities within the past three years:

Company	Appointed	Resigned
Boss Resources Limited	January 2016	February 2019
Graphex Mining Ltd	March 2016	September 2019
Frontier Energy Limited	March 2019	October 2021
Lotus Resources Limited	June 2020	-

Chris Bath
CA, MAICD
Non-Executive Director

Mr Bath is a Chartered Accountant and member of the Australian Institute of Company Directors, with over 20 years of senior management experience in the energy and resources sector both in Australia and south-east Asia. Mr Bath has been Chief Financial Officer for companies listed on AIM, ASX and JSX.

Mr Bath was appointed a Director of the Company on 8 July 2019.

Directorships of other listed entities within the past three years:

Company	Appointed	Resigned
Grand Gulf Energy Limited	March 2019	October 2021
Frontier Energy Limited	December 2021	-

David Wheeler
FAICD
Non-Executive Director

Mr Wheeler has more than 30 years of Senior Executive Management, Directorships, 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 experience on public and private company boards and currently holds several Directorships and Advisory positions in Australian companies.

Mr Wheeler is a fellow of the Australian Institute of Company Directors. Mr Wheeler was appointed a Director of the Company on 12 October 2021.

Directorships of other listed entities within the past three years:

Company	Appointed	Resigned
Protean Energy Limited	May 2017	-
PVW Resources Limited	August 2017	-
Ragnar Metals Limited	December 2017	-
Avira Resources Limited	September 2018	-
Tyranna Resources Limited	October 2019	-
Syntonic Limited	November 2019	-
Blaze International Limited	March 2020	-
Delecta Limited	June 2020	-
Health House International Limited	April 2021	-
Cycliq Resources Limited	June 2021	-
Athena Resources Limited	June 2021	-

Craig Burton
BJuris, LLB, MAICD
Non-Executive Director

Mr Burton is an experienced and active investor in emerging businesses, both publicly listed and private. Over the last 25 years, he has co-founded numerous new projects, with a focus on the resources, oil and gas, and mining services sectors. Mr Burton is also a Director of Panda Hill Tanzania Ltd, the previous 50/50 joint venture company between Cradle and Tremont Investments Limited.

Mr Burton was appointed a Director of the Company on 16 September 2013 and served as Chairman of the Company from 16 September 2013 to 1 August 2016. Mr Burton was subsequently re-appointed Chairman on 8 July 2019.

Mr Burton resigned on 12 October 2021.

Principal activities

During the year Cradle completed the disposal of its interest in Panda Hill Tanzania Limited ("PHT"), which held the Panda Hill Niobium Project. Subsequent to this, the principal activities of Cradle during the financial year consisted of assessing new business opportunities and projects. There was no significant change in the nature of these activities during the year.

Review of operations

During the financial year, the Group continued to review new project opportunities that could add value to shareholders.

Financial position

At 30 June 2022, the Company had cash reserves of $149,804 (2021: $486,965) and net assets of $140,595 (2021: $18,425,409).

Funding

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets or other sources and managing cash flows in line with available funds. Matador Capital Pty Ltd ("Matador Capital"), a related entity of one of the directors, Mr Grant Davey, has provided a letter of financial support, whereby Matador Capital agrees, effective from 1 August 2022 to defer recharges of costs for office space and other services pursuant to the Cost Sharing Agreement and the Office Use Agreement. In addition, subsequent to the end of the financial year, the Company entered into an agreement with Davey Management (Aus) Pty Ltd ("Davey Management"), also a related entity of Mr Grant Davey, whereby Davey Management agreed to provide a non-recourse subordinated debt facility of $500,000 to enable the Group to continue as a going concern.

Demerger and In-specie Distribution

On 30 July 2021 shareholders of Cradle approved the disposal of its 37.2% interest in PHT to Panda Hill Mining Limited ("PHM") and the in-specie distribution of 152,748,622 shares Cradle held in PHM ("In-specie Shares") to eligible Cradle shareholders on a pro-rata basis. Cradle transferred its beneficial interest in the PHT Shares to PHM, rather than the legal interest, as a transfer of the legal interest of the PHT Shares required the approval of the Tanzanian Fair Competition Commission (FCC Transfer Approval). Upon FCC Transfer Approval, Cradle would transfer the legal interest in the PHT Shares to PHM.

To effect the demerger and in-specie distribution:

1. Cradle subscribed for 1,000,000 PHM Shares at $0.20 for $200,000;
2. Cradle transferred the beneficial interest in the PHT Shares to PHM and PHM issued 151,648,622 PHM Shares (In-specie Shares) to Cradle; and
3. Cradle transferred its interest in the In-specie Shares, effected by way of transfer of the beneficial interest to eligible Shareholders on a pro-rata basis and the transfer of the legal interest to PHM Nominees.

As a result of the demerger and in-specie distribution, the Company has recognised in the financial statements a dividend distribution of $18,272,902, which is reflected as a reduction in contributed equity.

In January 2022, FCC approved the transfer of the legal interest of the PHT Shares.

Capital Raising

In September 2021 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.

Business Strategy

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. Further, ASX Guidance Note 12 states that following a listed entity's disposal of its main undertaking, ASX will generally continue the quotation of the entity's securities for a period of up to 6 months to allow an entity time to identify and announce its intention to acquire a new business. On 13 January 2022, ASX advised that it was suspending the securities of the Company from quotation.

While the Company is actively pursuing potential new acquisitions, there can be no assurance that a suitable new business or asset will be identified and announced within the timeframe required, or at all, which may have an adverse impact on the Company's future revenues and its ability to remain trading on the ASX.

Material Risks

The company's activities present inherent risk and therefore the Board is unable to provide certainty that any or all of these activities will be able to be achieved.

The material business risks faced by Cradle that are likely to have an effect on the Company's future prospects, and how the Company manages these risks, include:

- New projects risk – The Company is actively pursuing and assessing new business opportunities. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

  If an acquisition is completed the Company may need to raise additional capital (if available).

  Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain and there is no guarantee that any future acquisition will be successful.
- Future capital requirements – the ability to finance a project is dependent on the Group's existing financial position, the availability and cost of project financing and other debt markets and the ability to access equity markets to raise new capital. There can be no guarantees that when the Group seeks to implement financing strategies to pursue the development of a new project that suitable financing alternatives will be available and at a cost acceptable to the Group.

Dividends paid or recommended

During the year the Company completed an in-specie distribution, resulting in a dividend payable of $18,272,902 (refer to Note 7 for additional information).

Other than as disclosed above, no recommendation for payment of dividends has been made for the year ended 30 June 2022 (2021: Nil).

Operating results

The net profit of the Consolidated Entity for the year ended 30 June 2022 was $876,025 (2021: $2,088,378 loss).

The net profit included the recognition of a gain of $1,534,612 as a result of foreign exchange gains on foreign operations being recycled from reserves to the Statement of Profit or Loss.

Significant changes in the state of affairs

No significant changes in the state of affairs occurred during the year other than already referred to in this Directors' Report.

Directors' meetings

The number of meetings of Directors held during the year and the number of meetings attended by each director were as follows:

	Board Meetings	
	Number eligible to attend	Number attended
Mr Craig Burton	1	1
Mr Grant Davey	3	2
Mr Chris Bath	3	3
Mr David Wheeler	2	2

There were no Board committees operating during the financial year. The Board as a whole currently performs the functions of an Audit Committee, Risk Committee, Nomination Committee, and Remuneration Committee, however this will be reviewed should the size and nature of the Company's activities change.

Directors' interests

The relevant interest of each director in the ordinary share capital issued by the Company as notified by the Directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is:

	Ordinary Shares	
	Held directly	**Held indirectly**
Mr Grant Davey	-	23,073,673
Mr Chris Bath	-	1,864,246
Mr David Wheeler	-	-

Share options and rights

As at the date of this report, there were no options or rights issued over unissued Shares of the Company.

During the year ended 30 June 2022 and up to the date of this report, no ordinary shares were issued as a result of the conversion of rights or options.

Significant events after the balance date

Subsequent to the end of the financial year, the Company entered into an agreement with Davey Management (Aus) Pty Ltd ("Davey Management"), a related entity of Mr Grant Davey, whereby Davey Management agreed to provide a loan facility of up to $500,000 to the Company. The key terms are:

- Facility Limit of $500,000
- Interest rate of 8% per annum
- Limited recourse - the recourse of the Lender against the Company is limited to the assets of the Company after payment of all unsubordinated creditors
- Subordination - the repayment of the total outstanding amount shall be subordinated and postponed and made subject to all debts, claims, demands, rights and causes of action of all unsubordinated creditors
- Repayment date is 31 July 2023

Other than as outlined above, at the date of this report there are no matters or circumstances which have arisen since 30 June 2022 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2022, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2022, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2022, of the Consolidated Entity.

Corporate governance

The Directors of the Company support and have adhered to the principles of Corporate Governance. The Company's corporate governance key statements, frameworks, policies and charges are all available on the Company's website at https://www.cradleresources.com.au/company-profile/corporate-governance/.

Indemnification and insurance of officers

The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who is or has been a director or officer of the Company or Group for any liability caused as such a director or officer and any legal costs incurred by a director or officer in defending an action for any liability caused as such a director or officer.

During or since the end of the financial year, no amounts have been paid by the Company or Group in relation to the above indemnities. During the financial year, the Company paid an annualised insurance premium of $20,535 (2021: $25,974) to provide adequate insurance cover for directors and officers against any potential liability and the associated legal costs of a proceeding.

Indemnification and insurance of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Non-audit service

During the year, Ernst & Young (Australia), the Company's auditor, received $nil (2021: $nil) for the provision of non-audit services.

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 12 of the Annual Report.

Remuneration report (audited)

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Key Management Personnel ("KMP") of the Group.

Details of Key Management Personnel ("KMP")

Details of the KMP of the Group during or since the end of the financial year are set out below:

Directors

Mr Grant Davey	Executive Director
Mr Chris Bath	Non-Executive Director
Mr David Wheeler	Non-Executive Director (appointed 12 October 2021)
Mr Craig Burton	Non-Executive Director (resigned 12 October 2021)
Mr Brian Scott	Company Secretary (appointed 24 March 2022)

Unless otherwise disclosed, the KMP held their position from 1 July 2021 until the date of this report.

Remuneration Policy

The Group's remuneration policy for its KMP has been developed by the Board taking into account the size of the Group, the size of the management team, the nature and stage of development of the Group's current operations, market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP: (i) Following the demerger, the Company is focussing on assessing and acquiring new business opportunities and assets; (ii) risks associated with small cap resource companies whilst exploring and developing projects; and (iii) other than profit which may be generated from asset sales, the Group does not expect to be undertaking profitable operations until sometime after the commencement of commercial production on any of its projects.

In accordance with best practice corporate governance, the structure of non-executive director and executive compensation is separate and distinct.

Executive Remuneration

The Group's remuneration policy is to provide a fixed remuneration component and to develop appropriate performance based remuneration once the Company successfully identifies and acquires a new project or asset (both short term incentives and long-term incentives). The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of consulting fees and other non-monetary benefits.

Fixed remuneration is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices. No external remuneration consultants were used during the financial year.

Performance Based Remuneration – Short Term Incentive ("STI")

No key performance indicators ("KPI's") were set by the Board during the year.

Having regard to the current size, nature and opportunities of the Company, the Board may set KPI's that include measures such as: (i) successful exploration activities (e.g. completion of exploration programs within budgeted timeframes and costs); (ii) successful development activities (e.g. completion of technical studies); (iii) successful corporate activities (e.g. recruitment and management of key personnel and investor relations activities); and (iv) successful business development activities (e.g. corporate transactions and capital raisings). These measures represent the key drivers in the short and medium-term success of the Company's development.

Where KPI's have been set, the Board will, on an annual basis subsequent to year end, assess performance against each individual executive's KPI criteria and considers the position of the Company to be able to award STI cash bonuses.

During the 2022 financial year, no cash bonuses were awarded to executive KMP (2021: $nil).

Performance Based Remuneration – Long Term Incentive

The Board does not currently have a long-term incentive plan ("LTIP") in place.

To achieve its corporate objectives and attract, incentivise, and retain key employees and contractors, the Board may grant long term incentives in the form of options and rights.

During the 2022 financial year, no options or rights were granted to executive KMP. At 30 June 2022, no Options and no Rights were held by executive KMP.

Non-Executive Director Remuneration

The Board's policy is for fees to Non-Executive Directors to be no greater than market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The Company may pay to the Non-Executive Directors a maximum total amount of Director's fees, determined by the Company in a meeting of Members, or until so determined, as the Directors resolve. Directors' fees paid to Non-Executive Directors accrue on a daily basis. Fees for Non-Executive Directors are not linked to the performance of the Consolidated Entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company. Given the size, nature and opportunities of the Company, Non-Executive Directors may also receive Options or Rights in order to secure and retain their services. The Company prohibits Non-Executive Directors entering into arrangements to limit their exposure to Options granted as part of their remuneration package.

Fees for the Chairman were set at $60,000 per annum (excluding post-employment benefits). Fees for Non-Executive Directors' were set at between $30,000 to $40,000 per annum. These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company, including but not limited to, membership of committees.

During the 2022 financial year, no Options or Rights were granted to Non-Executive Directors. At 30 June 2022, no Options and no Rights were held by Non-Executive Directors.

Relationship between Remuneration of KMP and Shareholder Wealth

The Group's approach to remuneration is designed to attract and retain key executive talent, recognise the individual contributions of the Group's people, and motivate them to achieve strong performance aligned to the business strategy, whilst discouraging excessive risk taking.

In summary, the Group's approach to remuneration is to:

- Provide remuneration that is competitive and consistent with market standards;
- Align remuneration with the Company's overall strategy and shareholder interests;
- Reward superior performance within an objective and measurable incentive framework;
- Ensure that executives understand the link between individual reward and Group and individual performance;
- Be at a level acceptable to shareholders; and
- Apply sufficiently flexible remuneration practices that enable the Company to respond to changing circumstances.

Remuneration of Directors

Details of the remuneration of each Director of the Group are as follows:

2022	Short-term benefits: Consulting fees $	Short-term benefits: Cash bonus $	Share-based payments $	Total $	Percentage performance related %
Directors					
Mr Grant Davey	120,000	-	-	120,000	-
Mr Chris Bath	30,000	-	-	30,000	-
Mr David Wheeler[1]	27,000	-	-	27,000	-
Mr Craig Burton[2]	18,333	-	-	18,333	-
	195,333	**-**	**-**	**195,333**	**-**

[1] Mr Wheeler was appointed on 12 October 2021
[2] Mr Burton resigned on 12 October 2021

2021	Short-term benefits: Consulting fees $	Short-term benefits: Cash bonus $	Share-based payments $	Total $	Percentage performance related %
Directors					
Mr Craig Burton	60,000	-	-	60,000	-
Mr Grant Davey	120,000	-	-	120,000	-
Mr Chris Bath	30,000	-	-	30,000	-
	210,000	**-**	**-**	**210,000**	**-**

No Options or Rights were granted to KMP of the Group by the Company during the financial year (2021: Nil).

Shareholdings of Key Management Personnel

	Held at 1 July 2021	Entitlement offers	On-market purchases	Off-market purchases	Sales	Held at 30 June 2022
Directors						
Mr Grant Davey	3,240,414	2,783,259	-	17,050,000	-	**23,073,673**
Mr Chris Bath	1,000,000	864,246	-	-	-	**1,864,246**
Mr David Wheeler[1]	-	-	-	-	-	**-**
Mr Craig Burton[2]	30,800,000	3,500,000	-	-	-	**34,300,000**

[1]Mr Wheeler was appointed on 12 October 2021
[2]Mr Burton resigned on 12 October 2021

Other transactions with Related Parties

Mr Grant Davey is an executive Director of the Company and is a director and shareholder of Matador Capital Pty Ltd ("Matador Capital"). From May 2021, Matador Capital has provided various services under a Shared Services Agreement in which Matador Capital provides office space, technical staff including geologists and project management, and general office costs to the company at cost plus 2%. The total cost incurred for the year ended 30 June 2022 was $144,324 (2021: $11,833). Matador Capital has provided a letter of financial support, whereby Matador Capital agrees, effective from 1 August 2022 to defer recharges of costs for office space and other services pursuant to the Cost Sharing Agreement and the Office Use Agreement.

Contracts with Directors and KMP

Mr Grant Davey, Executive Director, is engaged under a consultancy agreement with Matador Capital Pty Ltd ("Matador"). The agreement may be terminated by either party at any time for any or no reason without payment or penalty upon at least one (1) month's prior written notice of termination to the other, or payment in lieu thereof. Matador receives a monthly retainer of A$10,000 and may receive a discretionary bonus based on achievement of KPIs to be determined by the Board.

Signed in accordance with a resolution of the Directors.

GRANT DAVEY
Executive Director
23 September 2022

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Building a better working world

Auditor's independence declaration to the directors of Cradle Resources Limited

As lead auditor for the audit of the financial report of Cradle Resources Limited for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Cradle Resources Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Pierre Dreyer
Partner
Perth
23 September 2022

	Notes	2022 $	2021 $
Interest income		**952**	3,229
Sundry income	1	**-**	88,430
Total income		**952**	**91,659**
Corporate and administrative expenses		**(363,897)**	(479,196)
Employee benefits expenses	1	**(291,108)**	(210,000)
Share of loss of joint venture interests	7 (a)	**-**	(16,376)
Loss on sale of interest in joint venture	7 (a)	**-**	(1,307,508)
Foreign exchange loss		**(4,535)**	-
Foreign exchange gain on foreign operations reclassified from reserves	7 (a)	**1,534,612**	448,058
Impairment loss	7 (a)	**-**	(615,015)
Profit / (Loss) before income tax		**876,025**	(2,088,378)
Income tax expense	2	**-**	-
Profit / (Loss) for the period		**876,025**	(2,088,378)
Profit / (Loss) attributable to members of Cradle Resources Limited		**876,025**	(2,088,378)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss:			
Foreign exchange on foreign operations reclassified to profit & loss	10 (c)	**(1,534,612)**	(448,058)
Exchange differences arising on translation of foreign operations		**-**	(1,398,414)
Other comprehensive loss for the year, net of tax		**(1,534,612)**	(1,846,472)
Total comprehensive loss for the year		**(658,587)**	(3,934,850)
Total comprehensive loss attributable to members of Cradle Resources Limited		**(658,587)**	(3,934,850)
Earnings per share			
Basic and diluted earnings/(loss) per share (cents per share)	12	**0.48**	(1.13)

The accompanying notes form part of the financial statements.

	Notes	30 June 2022 $	30 June 2021 $
ASSETS			
Current Assets			
Cash and cash equivalents	4	**149,804**	486,965
Other receivables	5	**36,046**	15,959
Other financial assets	6	**62,018**	-
Total Current Assets		**247,868**	502,924
Non-current Assets			
Other receivables	5	**-**	102,856
Interest in associates	7	**-**	17,974,680
Total Non-Current Assets		**-**	18,077,536
TOTAL ASSETS		**247,868**	18,580,460
LIABILITIES			
Current Liabilities			
Trade and other payables	8	**107,272**	155,051
Total Current Liabilities		**107,272**	155,051
TOTAL LIABILITIES		**107,272**	155,051
NET ASSETS		**140,595**	18,425,409
EQUITY			
Contributed equity	9	**11,034,280**	28,660,507
Reserves	10	**10,921,281**	12,455,893
Accumulated losses	11	**(21,814,966)**	(22,690,991)
TOTAL EQUITY		**140,595**	18,425,409

The accompanying notes form part of the financial statements.

CRADLE RESOURCES LIMITED

	Issued Capital $	Share Based Payments Reserve $	Foreign Currency Translation Reserve $	Consolidation Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2021	**28,660,507**	**-**	**1,534,612**	**10,921,281**	**(22,690,991)**	**18,425,409**
Net profit for the year	**-**		**-**	**-**	**876,025**	**876,025**
Other comprehensive loss:						
Foreign exchange on foreign operations reclassified to profit or loss	**-**	**-**	**(1,534,612)**	**-**	**-**	**(1,534,612)**
Total comprehensive income/(loss) for the year	**-**	**-**	**(1,534,612)**	**-**	**876,025**	**(658,587)**
Transactions with owners recorded directly in equity:						
Issue of shares	**694,312**	**-**	**-**	**-**	**-**	**694,312**
Share issue costs	**(47,637)**	**-**	**-**	**-**	**-**	**(47,637)**
In specie distribution (refer note 7)	**(18,272,902)**	**-**	**-**	**-**	**-**	**(18,272,902)**
Balance at 30 June 2022	**11,034,280**	**-**	**-**	**10,921,281**	**(21,814,966)**	**140,595**
Balance at 1 July 2020	**31,245,828**	**-**	**3,381,084**	**10,921,281**	**(20,602,613)**	**24,945,580**
Net loss for the year	**-**	**-**	**-**	**-**	**(2,088,378)**	**(2,088,378)**
Other comprehensive loss:						
Foreign exchange on foreign operations reclassified to profit or loss			**(448,058)**	**-**		**(448,058)**
Exchange differences on translation of foreign operations			**(1,398,414)**	**-**		**(1,398,414)**
Total comprehensive loss for the year	**-**	**-**	**(1,846,472)**	**-**	**(2,088,378)**	**(3,934,850)**
Transactions with owners recorded directly in equity:						
Share buy back	**(2,585,321)**	**-**	**-**	**-**	**-**	**(2,585,321)**
Balance at 30 June 2021	**28,660,507**	**-**	**1,534,612**	**10,921,281**	**(22,690,991)**	**18,425,409**

The accompanying notes form part of these financial statements.

	Notes	2022 $	2021 $
Cash flows used in operating activities			
Payments to suppliers and employees		**(629,890)**	(607,328)
Business development		**(92,880)**	-
Interest received		**952**	3,229
Net cash used in operating activities	4(a)	**(721,818)**	(604,099)
Cash flows used in investing activities			
Security bond	6	**(62,018)**	-
Contributions to joint venture	7	**-**	(91,014)
Payment for share subscription in Panda Hill Mining Limited	7	**(200,000)**	-
Net cash used in investing activities		**(262,018)**	(91,014)
Cash flows used in financing activities			
Proceeds from the issue of ordinary shares	3	**694,312**	-
Costs of capital raisings	3	**(47,637)**	-
Net cash received from financing activities		**646,675**	-
Net decrease in cash and cash equivalents		**(337,161)**	(695,113)
Cash and cash equivalents at beginning of year		**486,965**	1,182,078
Cash and cash equivalents at end of year	4	**149,804**	486,965

The accompanying notes form part of these financial statements.

Basis of Preparation

This section sets out the basis upon which the Group's (comprising Cradle Resources Limited and its subsidiaries) financial statements are prepared as a whole. Significant accounting policies and key judgements and estimates of the Group that summarise the measurement basis used and assist in understanding the financial statements are described in the relevant note to the financial statements or are otherwise provided in this section.

Cradle Resources Limited (Cradle) is a for-profit company limited by shares incorporated in Australia whose shares are listed on the Australian Securities Exchange. The Group is principally engaged in the exploration and development of mineral resource projects.

The Company's registered office is at Level 20, 140 St Georges Terrace, Perth, Western Australia. These consolidated financial statements comprise the Company and its subsidiaries and were authorised for issue in accordance with a resolution of the directors on 23 September 2022.

Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The financial report has been prepared on a historical cost basis, and the financial report is presented in Australian dollars, unless otherwise stated.

For the year end 30 June 2022, the Group made a profit of $876,025 (2021: loss of $2,088,378) and had an operating cash outflow of $721,818 (2021: $604,099). At 30 June 2022, the Group had cash and cash equivalents of $149,804 (2021: $486,965) and net current assets of $140,595 (2021: $347,873).

The consolidated financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group is currently focussing on assessing and acquiring new business opportunities and assets. The use of funds during the next twelve months will primarily be on administration and corporate costs, together with costs incurred on reviewing new project opportunities. The directors have prepared a cash flow forecast which indicates that the Group will require additional capital to fund ongoing evaluation (and, where applicable, acquisition) of new opportunities and working capital requirements for the 12-month period from the date of signing of this financial report.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets or other sources and managing cash flows in line with available funds. Matador Capital Pty Ltd ("Matador Capital"), a related entity of one of the directors, Mr Grant Davey, has provided a letter of financial support, whereby Matador Capital agrees to defer recharges of costs under the Cost Sharing Agreement and the Office Use Agreement in place. In addition, subsequent to the end of the financial year, the Company entered into an agreement with Davey Management (Aus) Pty Ltd ("Davey Management"), also a related entity of Mr Grant Davey, whereby Davey Management agreed to provide a non-recourse subordinated debt facility of $500,000 to enable the Group to continue as a going concern (see Note 17 for further details).

Should additional funding be required, the Directors are confident that they will be able to raise those additional funds. However, in the event that the Group is unable to raise those additional funds, there is significant uncertainty as to whether the Group would be able to continue as a going concern.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Group be unable to continue as a going concern.

Key judgements and estimates

In the process of applying the Group's accounting policies, management has had to make judgements, estimates and assumptions about future events that affect the reported amounts of assets and liabilities, income and expense. The reasonableness of these estimates and underlying assumptions are reviewed on an ongoing basis.

Foreign currencies

The consolidated financial statements are presented in Australian dollars, which is also the Company's functional currency. For each entity in the Group, the Group determines the functional currency of that entity and items included in the financial statements of that entity are measured using that functional currency. The Group uses the direct method of consolidation, and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

The assets and liabilities of foreign operations are translated into AUD at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held on call with financial institutions.

Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Income tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Earnings per share

Basic earnings per share is calculated as net profit attributable to the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to the Company, adjusted for:

- Costs of servicing equity (other than dividends) and preference dividends;
- The after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Segment reporting

The Group has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker. The chief operating decision maker, who is responsible in assessing the performance and determining the allocation of resources of the operating segments, is considered to be the Board of Directors.

Discrete financial information is presented for the Company as a whole. Accordingly, the Board of Directors considers that its business operates in one segment, being that of mineral exploration.

Interest income is recognised using the effective interest rate method.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions, for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date using a binomial model. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is re-measured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense.

Parent entity information

The financial information for the parent entity, Cradle Resources Limited, disclosed in note 14 has been prepared on the same basis as the consolidated financial statements, except as set out below:

Investments in subsidiaries and associate entities

Investments in subsidiaries and associate entities are accounted for at cost less any impairment in the financial statements of Cradle Resources Limited. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

	Note	2022 $	2021 $

1. Income and Expense

	2022 $	2021 $
Deemed contribution- refer to note 7	-	88,430
Total	-	88,430

Employee benefits expense (including directors and officers)

	2022 $	2021 $
Directors consulting fees	**(195,333)**	(210,000)
Other consultants	**(95,775)**	-
Total employee benefits expense included in profit or loss	**(291,108)**	(210,000)

2. Income tax

	2022 $	2021 $
Recognised in profit or loss		
Current income tax:		
Current income tax expense in respect of the current year	-	-
Deferred income tax:		
Relating to origination and reversal of temporary differences	**(143,199)**	(118,111)
Adjustments in respect of current income tax of previous years	-	-
DTA not brought to account	**143,199**	118,111
Income tax expense included in profit or loss	-	-

(a) Reconciliation between tax expense and accounting profit or loss before income tax	2022 $	2021 $
Accounting profit / (loss) before income tax	**876,025**	(2,088,378)
At the domestic income tax rate of 25% (2021: 26%)	**219,006**	(542,978)
Adjustment to income tax expense due to:		
Loss on sale of interest in joint venture	-	339,952
Impairment	-	159,904
Foreign exchange on foreign operations reclassified from reserves	**(382,519)**	(116,495)
Non-deductible expenditure	**20,314**	41,506
Deferred tax assets not brought to account	**143,199**	118,111
Income tax expense attributable to profit or loss	-	-

2. Income tax (continued)

(b) Deferred Tax Assets and Liabilities

	2022	2021
	$	$
Deferred income tax at balance date relates to the following:		
Deferred Tax Asset		
Tax losses	**2,068,174**	2,001,974
Deferred tax assets not brought to account [1]	**(2,068,174)**	(2,001,974)
	-	-

[1] The benefit of deferred tax assets not brought to account will only be brought to account if: (i) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised; (ii) the conditions for deductibility imposed by tax legislation continue to be complied with; and (iii) no changes in tax legislation adversely affect the Group in realising the benefit.

(c) Tax Consolidation

The Company and its wholly-owned Australian resident entities have not formed a tax consolidated group.

(d) Franking credits

The company has no franking credits.

3. Dividends paid or provided for on ordinary shares

During the year the Company completed an in-specie distribution, resulting in a dividend payable of $18,272,902 (refer to Note 7 for additional information). Other than as disclosed above, no dividends have been paid or proposed for the year ended 30 June 2022 (2021: Nil).

4. Cash and cash equivalents

	2022	2021
	$	$
Cash at bank	**149,804**	486,965

Reconciliation of net profit/(loss) after tax to net cash used in operating activities

	2022	2021
	$	$
Profit / (Loss) for the year	**876,025**	(2,088,378)
Adjustments to reconcile profit before tax to net cash flows:		
Share of loss of joint venture interest	**-**	16,376
Net foreign exchange differences	**(1,529,978)**	(448,058)
Deemed contributions	**-**	(88,430)
Loss on sale of interest in joint venture	**-**	1,307,508
Impairment	**-**	615,015
Change in operating assets and liabilities:		
Decrease/(Increase) in trade and other receivables	**(1,851)**	884
Decrease/(Increase) in prepayments	**(20,535)**	19,980
Increase/(Decrease) in trade and other payables	**(45,479)**	61,004
Net cash outflow from operating activities	**(721,818)**	(604,099)

5. Other receivables

	2022 $	2021 $
Current		
Prepayments	**20,535**	-
GST receivable	**15,511**	15,959
Total current receivables	**36,046**	15,959
Non-current		
Loans to joint venture[1]	-	102,856
Total non-current receivables	-	102,856

[1] Loans to joint venture represents shareholder loans from the Company to Panda Hill Tanzania Ltd to fund ongoing exploration and evaluation activities. The loans are unsecured, interest free, and repayable on demand. The loan was repaid during the year ended 30 June 2022 (refer Note 7).

6. Other financial assets

	2022 $	2021 $
Current		
Security deposit[1]	**62,018**	-
Total other financial assets	**62,018**	-

[1] Security deposit pursuant to the Shared Services Agreement for the office premises.

7. Interest in associates

		2022 $	2021 $
Panda Hill Tanzania Ltd	7(a)	-	17,974,680
Total interest in associate		-	17,974,680

Panda Hill Tanzania Ltd

In 2014 the Company had executed an Investment and Shareholders Agreement ("Agreement") with Tremont Investments Limited ("Tremont"), Panda Hill Mining Pty Ltd ("PHM") and Panda Hill Tanzania Ltd ("PHT") to fund the Panda Hill Niobium Project ("Project"). Subsequent to signing the Agreement there was a dispute between the Company and Tremont.

In December 2020, Cradle reached agreement with Tremont in connection with the Project and the dispute and arbitration between Cradle and Tremont (Tremont Agreement). Cradle and Tremont agreed to dismiss the arbitration and release each other from all associated claims, thereby bringing an end to this dispute. The arbitration was settled as follows:

- Cradle bought back Tremont's existing 19.5% shareholding in Cradle (36,933,161 shares) in return for Cradle transferring to Tremont 19.5% of Cradle's shares in PHT (4.6million PHT shares);
- PHT issued Tremont and Cradle additional shares to convert existing loans from Tremont and Cradle to PHT to equity in PHT

On 18 September 2020 Cradle's shareholders approved the transaction with Tremont and the transaction subsequently settled on 21 December 2020.

7. Interest in associates (continued)

On 30 July 2021 shareholders of Cradle approved the demerger of its 37.2% interest in PHT 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. To effect the demerger and in-specie distribution:

1. Cradle subscribed for 1,000,000 PHM Shares at $0.20 for $200,000;
2. Cradle transferred the beneficial interest in the PHT Shares to PHM and PHM issued 151,648,622 PHM Shares to Cradle; and
3. Cradle transferred its interest in the In-specie Shares, effected by way of transfer of the beneficial interest to eligible Cradle shareholders on a pro-rata basis and the transfer of the legal interest to PHM Nominees.

Cradle transferred 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 required the approval of the Tanzanian Fair Competition Commission (FCC Transfer Approval).

As a result of this transaction, Cradle has recognised a dividend payable of $18,272,902, which comprises the following amounts:

	$
Investment in PHT	17,974,680
Loan to PHT	102,856
Investment in PHM	200,000
Foreign exchange loss	(4,634)
Total dividend payable	**18,272,902**

On the date of settlement, the difference between the fair value of the dividend payable (i.e. the fair value of the net assets of PHM) and the carrying amount of PHM in the books of Cradle was recognised in the statement of profit or loss. In relation to the current transaction, the movements in the fair value of the dividend payable from 30 July 2021 to 6 August 2021 related only to changes in foreign exchange of $4,634. This is consistent with AASB Interpretation 17 *Distributions of Non-Cash Assets to Owners, which* sets out the accounting requirements in relation to distributions of assets by an entity to its owner in their capacity as owners.

In January 2022, the FCC approved the transaction, which allowed the legal interest in the shares in PHT to be transferred to PHM.

	2022 $	2021 $
Reconciliation of movements in interest in Panda Hill Tanzania Ltd		
Carrying amount at 1 July	**17,974,680**	23,717,870
Cash contributions to joint venture	-	91,014
Deemed contributions[1]	-	88,430
Foreign exchange differences	-	(1,398,414)
Share of joint venture loss for the year	-	(16,376)
Sale of partial interest in PHT	-	(3,892,829)
Impairment adjustment	-	(615,015)
In-specie distribution of interest in PHT	**(17,974,680)**	-
Carrying amount at 30 June	-	17,974,680

Notes:

1 During the prior period, the Company's joint venture partner sole-funded certain expenditures of PHT, totalling A$176,860, of which A$88,430 (being 50% of the expenditure incurred prior to the part sale of PHT shares to Tremont) is deemed to have been contributed by Cradle and has been recognised as a gain through profit or loss.

8. Trade and other payables

	2022 $	2021 $
Trade creditors	**84,272**	114,531
Accrued expenses	**23,000**	40,520
	107,272	155,051

9. Contributed equity

	2022 $	2021 $
Issued capital		
187,464,218 fully paid ordinary shares (2021: 152,748,622)	**11,034,187**	28,660,507

(a) Movements in Issued Capital during the past two years

		Number	$
1 July 2020	Opening balance	**189,681,783**	31,245,828
21 December 2020	Share buy back[1]	**(36,933,161)**	(2,585,321)
30 June 2021	Closing balance	**152,748,622**	28,660,507
6 August 2021	In specie distribution[2]	-	(18,272,902)
22 September 2021	Issue of shares[3]	**16,252,714**	325,054
23 September 2021	Issue of shares[3]	**18,462,882**	369,258
24 September 2021	Share issue costs[3]	-	(47,730)
30 June 2022	Closing balance	**187,464,218**	11,034,187

[1]On 21 December 2020 Cradle completed the Tremont Transaction whereby Cradle bought back Tremont's existing 19.5% shareholding in Cradle in return for transferring to Tremont 19.5% of Cradle's shares in PHT. Refer Note 7 for more details.

[2]On 30 July 2021 shareholders of Cradle approved the demerger of its 37.2% interest in PHT to 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. Refer to Note 7 (a).

As a result of this transaction, Cradle recognised a dividend payable of $18,272,902, which comprises the following amounts:

	$
Investment in PHT	17,974,680
Loan to PHT	102,856
Investment in PHM	200,000
Foreign exchange loss	(4,634)
Total dividend payable	**18,272,902**

[3]In September 2021 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 $694,312 before costs ("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.

9. Contributed equity (continued)

(b) Rights Attaching to Ordinary Shares

The rights attaching to fully paid ordinary shares ("Shares") arise from a combination of the Company's Constitution, statute and general law.

(i) *Shares* - The issue of shares in the capital of the Company and options over unissued shares by the Company is under the control of the Directors, subject to the Corporations Act 2001, ASX Listing Rules and any rights attached to any special class of shares.

(ii) *Meetings of Members* - Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by the Corporations Act 2001. The Constitution contains provisions prescribing the content requirements of notices of meetings of members and all members are entitled to a notice of meeting. A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of members is two shareholders. The Company holds annual general meetings in accordance with the Corporations Act 2001 and the Listing Rules.

(iii) *Voting* - Subject to any rights or restrictions at the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents. On a poll each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

(iv) *Changes to the Constitution* - The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

(v) *Listing Rules* - Provided the Company remains admitted to the Official List, then despite anything in its Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules. The Company's Constitution will be deemed to comply with the Listing Rules as amended from time to time.

10. Reserves

	Note	2022 $	2021 $
Foreign currency translation reserve	10 (c)	-	1,534,612
Consolidation reserve		**10,921,281**	10,921,281
Total reserves		**10,921,281**	11,859,389

(a) Nature and Purpose of Reserves

Foreign currency translation reserve
Exchange differences arising on translation of foreign controlled entities and investments in associates are taken to the foreign currency translation reserve, as described in the accounting policy note. The reserve is transferred to statement of profit or loss and other comprehensive income when the net investment is disposed of.

10. Reserves (continued)

Consolidation reserve

On 6 June 2014, the Group entered into an Investment and Shareholders Agreement with Tremont, PHM and PHT to fund the Project, pursuant to which Tremont was granted the right to take up an interest in PHM, equal to its interest in PHT for nil consideration. Tremont are therefore deemed to have present ownership interest in PHM. The transaction was accounted for as an equity transaction with a non-controlling interest.

(b) Movements in options and performance rights granted as share-based payments during the past two years

No options and performance rights were granted during the year and there are no option or performances rights on issue (2021: None).

(c) Movements in foreign currency translation reserve during the past two years

	2022 $	2021 $
Foreign Currency Translation Reserve		
Balance at 1 July	**1,534,612**	3,381,084
Exchange differences on translation of foreign operations	-	(1,398,414)
Foreign exchange gain on foreign operations reclassified to profit & loss	**(1,534,612)**	(448,058)
Balance at 30 June	-	1,534,612

11. Accumulated losses

	2022 $	2021 $
Balance at 1 July	**(22,690,991)**	(20,602,613)
Net profit / (loss) for the year	**876,025**	(2,088,378)
Balance at 30 June	**(21,814,966)**	(22,690,991)

12. Earnings per share

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	2022 $	2021 $
Basic Earnings:		
Net gain / (loss) for the year	**876,025**	(2,088,378)
Weighted Number of Ordinary Shares		
Basic earnings per share	181,863,064	184,359,970
Diluted earnings per share	181,863,064	184,359,970
Basic earnings/(loss) per share (cents per share)	**0.48**	(1.13)
Diluted earnings/(loss) per share (cents per share)	**0.48**	(1.13)

(a) Recognition and measurement

There are no dilutive shares at 30 June 2022.

12. Earnings per share (continued)

On 16 September 2021 the Company completed a fully underwritten, non-renounceable pro-rata offer ("Offer") to Eligible Shareholders, issuing 34,715,596 shares to raise approximately $694,312 (before costs). Since 30 June 2022, there have been no conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

13. Related parties

(a) Subsidiaries

		% Equity Interest	
		2022	2021
Name	Country of Incorporation	%	%
Songwe Hill Limited	Tanzania	**100%**	100%
Panda Hill Mining Limited	Australia	-	100%

(b) Ultimate Parent

Cradle Resources Limited is the ultimate parent of the Group.

(c) Key Management Personnel

	2022 $	2021 $
Short-term employee benefits	**195,333**	210,000

Further details relating to Key Management Personnel, including remuneration details and equity holdings are included in the Remuneration Report.

(d) Other transactions with Related Parties

Mr Grant Davey is an executive Director of the Company and is a Director and shareholder of Matador Capital Pty Ltd (Matador Capital). From May 2021, Matador Capital has provided various services under a Shared Services Agreement in which Matador Capital provides office space, technical staff including geologists and project management, and general office costs to the company at cost plus 2%. The total cost incurred for the year ended 30 June 2022 was $144,324 (2021: $11,833). Matador Capital has provided a letter of financial support, whereby Matador Capital agrees, effective from 1 August 2022 to defer recharges of costs for office space and other services pursuant to the Cost Sharing Agreement and the Office Use Agreement.

14. Parent entity disclosures

	2022	2021
	$	$
Financial Position		
Assets		
Current Assets	**247,868**	502,924
Non-Current Assets	**-**	18,077,636
Total Assets	**247,868**	18,580,560
Liabilities		
Current Liabilities	**107,272**	155,051
Total Liabilities	**107,272**	155,051
Equity		
Contributed equity	**11,034,280**	28,660,366
Reserves	**10,921,281**	11,858,477
Accumulated losses	**(21,814,966)**	(22,093,334)
Total Equity	**18,425,509**	18,425,509
Financial Performance		
Profit / (loss) for the year	**876,025**	(2,088,378)
Total comprehensive profit / (loss)	**876,025**	(2,088,378)

15. Segment information

The Consolidated Entity operates in one segment, being mineral exploration. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity.

(a) Reconciliation of Non-Current Assets by geographical location

	2022	2021
Non-Current Assets for this purpose consist of interests in/loans to joint ventures	$	$
Australia	-	-
Tanzania	-	18,077,537
	-	18,077,537

16. Auditors' remuneration

The auditor of Cradle Resources Limited is Ernst & Young.

	2022 $	2021 $
Amounts received or due and receivable by Ernst & Young (Australia) for:		
• an audit or review of the financial report of the Company and any other entity in the consolidated group	**45,328**	37,400
	45,328	37,400

17. Financial risk management objectives and policies

(a) Overview

The Group's principal financial instruments comprise, payables, and cash. The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. Key risks are monitored and reviewed as circumstances change (e.g. acquisition of a new project) and policies are revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Group's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Group's financial risks as summarised below.

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables.

The carrying amount of the Group's cash and cash equivalents and trade and other receivables represents the maximum credit risk exposure, as represented below:

	2022 $	2021 $
Cash and cash equivalents	**149,804**	486,965
Other financial assets	**62,018**	-
Loans to associates	**-**	102,856
	211,822	589,821

17. Financial risk management objectives and policies (continued)

With respect to credit risk arising from cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Where possible, the Group invests its cash and cash equivalents with banks that are rated the equivalent of investment grade and above. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group does not have any significant customers and accordingly does not have any significant exposure to bad or doubtful debts.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due. As at 30 June 2022 and the date of this report, the Group has sufficient liquid assets to meet its financial obligations.

The contractual maturities of financial liabilities, including estimated interest payments for the Group, are provided below. There are no netting arrangements in respect of financial liabilities.

	≤6 Months $	6-12 Months $	1-5 Years $	≥5 Years $	Total $
2022					
Financial Liabilities					
Trade and other payables	**107,272**	-	-	-	**107,272**
		-	-	-	**107,272**
2021					
Financial Liabilities					
Trade and other payables	155,051	-	-	-	155,051
	155,051	-	-	-	**155,051**

(d) Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to cash and short-term deposits with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities, in the form of interests in joint ventures, receivables and payables are non-interest bearing. The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	2022 $	2021 $
Interest-bearing financial instruments		
Cash and cash equivalents	**149,804**	486,965
	149,804	486,965

The Group's cash at bank had a weighted average floating interest rate at year end of 0.24% (2021: 0.90%). At the reporting date, the Group did not have any material exposures to interest rate risk.

17. Financial risk management objectives and policies (continued)

(e) Foreign Currency Risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations. The Group currently does not engage in any hedging or derivative transactions to manage foreign currency risk.

At the reporting date, the Group did not have any material exposure to financial instruments denominated in foreign currencies.

(f) Capital Management

The Group defines its capital as total equity of the Group, being $140,595 as at 30 June 2022 (2021: $18,425,409). The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while financing the development of its projects through primarily equity based financing. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of development of the Group, the Board's objective is to minimise debt and to raise funds as required through the issue of new shares.

The Group is not subject to externally imposed capital requirements.

There were no changes in the Group's approach to capital management during the year. During the next 12 months, the Group will continue to explore project financing opportunities.

(g) Fair Value

The fair value of financial assets and financial liabilities approximates their carrying value.

18. Events subsequent to balance date

Subsequent to the end of the year, the Company entered into an agreement with Davey Management (Aus) Pty Ltd ("Davey Management"), a related entity of Mr Grant Davey, whereby Davey Management agreed to provide a loan facility of up to $500,000 to the Company. The key terms are:

- Facility Limit of $500,000
- Interest rate of 8% per annum
- Limited recourse - the recourse of the Lender against the Company is limited to the assets of the Company after payment of all unsubordinated creditors
- Subordination - the repayment of the total outstanding amount shall be subordinated and postponed and made subject to all debts, claims, demands, rights and causes of action of all unsubordinated creditors
- Repayment date is 31 July 2023

Other than as noted above, at the date of this report there are no matters or circumstances which have arisen since 30 June 2022 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2022, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2022, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2022, of the Consolidated Entity.

Directors' declaration

In accordance with a resolution of the Directors of Cradle Resources Limited:

In the opinion of the Directors:

(a) the financial statements and notes of the Company and Group are in accordance with the Corporations *Act 2001*, including:

  (i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2022 and of its performance for the year ended on the date; and
  (ii) complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001;

(b) the financial statements and notes also comply with International Financial Reporting Standards;

(c) subject to the matters noted in the Basis of Preparation note, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2022.

On behalf of the Board

GRANT DAVEY
Executive Director
23 September 2022

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Independent auditor's report to the members of Cradle Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Cradle Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, the notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the Basis of Preparation Note in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

Demerger of equity accounted investment and in-specie distribution

Why significant	How our audit addressed the key audit matter
As disclosed in note 7 of the financial report, the Group partially disposed of its interest in Panda Hill Tanzania Ltd ("PHT") to Tremont Investments Limited in the prior financial year. On 30 July 2021, the Company's shareholders approved a demerger whereby the Group transferred its remaining equity accounted investment in PHT to Panda Hill Mining Limited ("PHM") in return for PHM shares and the subsequent in-specie distribution of the PHM shares the Group received to eligible shareholders of the Company. This in-specie distribution of PHM shares has been accounted for as a dividend of $18,272,902 in contributed equity. As a result of the disposal of its investment in PHT, the Group's foreign currency translation reserve of $1,534,612 relating to its interest in PHT was recycled to the consolidated statement of profit or loss. This was considered a key audit matter due to the following: ► The significance of these transactions to the overall financial position and performance of the Group, and ► The accounting for the demerger and the subsequent in-specie distribution involved judgement.	In performing our audit procedures: ► We assessed, with involvement from our IFRS technical specialists, the accounting treatment for the demerger and subsequent in-specie distribution ► We tested the Group's calculation of, and accounting for, the in-specie distribution and the foreign currency translation reserve recycled to the consolidated statement of profit or loss ► We confirmed that the Tanzanian Fair Competition Commission approved the transfer of the legal interest in the PHT shares to PHM ► We assessed the adequacy of the disclosure included in the notes to the financial report relating to the demerger and subsequent in-specie distribution.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Cradle Resources Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

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Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Pierre Dreyer
Partner
Perth
23 September 2022

ASX additional information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 13 September 2022.

1. Twenty Largest Shareholders

The names of the twenty largest shareholders are as follows:

Name	Number of Ordinary Shares	%
Aviemore Capital Pty Ltd	32,300,000	17.23
Arredo Pty Ltd	16,400,000	8.75
Davey Holdings (Aus) Pty Ltd	12,117,656	6.46
Sunset Capital Management Pty Ltd	11,924,017	6.36
Davey Management (Aus) Pty Ltd	10,956,017	5.84
Nero Resource Fund Pty Ltd	8,370,519	4.47
Mr Brett Mitchell & Mrs Michelle Mitchell	7,020,000	3.74
Citicorp Nominees Pty Limited	6,271,880	3.35
RECB Limited	6,200,000	3.31
National Nominees Limited	5,948,540	3.17
HSBC Custody Nominees (Australia) Limited	3,054,750	1.63
Mr Mark John Bahen & Mrs Margaret Patricia Bahen	2,855,090	1.52
Helmet Nominees Pty Ltd	2,389,653	1.27
Ms Nicole Gallin & Mr Kyle Haynes	2,250,000	1.20
Alba Capital Pty Ltd	2,000,000	1.07
Blu Bone Pty Ltd	1,973,592	1.05
Mr Azman Rashid Haroon	1,963,359	1.05
Mr Mark John Bahen & Mrs Margaret Patricia Bahen	1,902,272	1.01
Chivington Pty Ltd	1,864,245	0.99
Harold Cripps Holdings Pty Ltd	1,778,247	0.95
Total twenty largest shareholders	**139,539,837**	**74.44**
Balance of register	47,924,381	25.56
Total ordinary shares on issue	**187,464,218**	**100.00**

2. Distribution of Equity Securities

The distribution of ordinary shares ranked according to size was as follows:

Category	Ordinary Shares	%	No. of holders	%
100,001 and Over	179,499,422	95.75	103	21.28
10,001 to 100,000	6,937,456	3.70	189	39.05
5,001 to 10,000	816,201	0.44	97	20.04
1,001 to 5,000	206,277	0.11	66	13.64
1 to 1,000	4,862	0.00	29	5.99
Total	**187,464,218**	**100**	**484**	**100**

ASX additional information (continued)

3. Voting Rights

See Note 9(b) of the Notes to the Financial Statements.

4. Substantial Shareholders

Substantial Shareholder notices have been received from the following:

Mr Craig Ian Burton	32,300,000
Mr Grant Davey	23,073,673
Arredo Pty Ltd	16,400,000
Sunset Capital Management Pty Ltd	11,924,017

5. On-Market Buy Back

There are currently no on-market buyback programs for any of Cradle Resources Limited's listed securities.

6. Restricted Securities

3,100,000 ordinary shares are subject to an orderly market restriction until the commencement of commercial production at the Panda Hill niobium mine.

7. Corporate Governance

The Company's Corporate Governance Statement for the year ended 30 June 2022, which explains how Cradle complies with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 4th Edition', is available in the Corporate Governance section of the Company's website, www.cradleresources.com.au and will be lodged with ASX together with an Appendix 4G at the same time that this Annual Report is lodged with ASX.