

29 June 2018

Emerson Walker
Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Dear Emerson

Appendix 3Y – Change of Director’s Interest Notice

I refer to your letter dated 27 June 2018 regarding the Change in Director’s Interest Notice (“Appendix 3Y”) lodged on 25 June 2018. The Company recognises that the Appendix 3Y was lodged outside the timeline prescribed in accordance with ASX Listing Rule 3.19A. In response to the questions in your letter, we give the following answers:

1. Please explain why the Appendix 3Y was lodged late?

The Appendix 3Y was lodged one (1) day late due to an administrative oversight. Upon discovery of this oversight, the Appendix 3Y was lodged immediately.

2. What arrangements does the Company have in place under listing rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

All Directors are aware of their obligations in relation to Listing Rule 3.19A and in accordance with the ASX Listing Rules the Company has put in place a Securities Trading Policy, which forms part of each Director’s letter of appointment. This policy requires Directors to notify the Company Secretary of any changes in the Company’s securities held by Directors within two business days of such change occurring.

3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

The existing arrangements, as set out in paragraph 2 above, are considered to be adequate and are being enforced to ensure compliance with listing rule 3.19B.

The Company is strongly committed to ensuring its compliance with the disclosure obligations in accordance with the share trading policy and the ASX Listing Rules.

Yours sincerely



Greg Swan
Company Secretary

27 June 2018

Mr Greg Swan

Company Secretary
Cradle Resources Limited
Level 9, BGC Centre
28 The Esplanade
Perth WA 6000

Cradle Resources Limited (the “Entity”): Appendix 3Y – Change of Director’s Interest Notice

We refer to the following;

1. The Appendix 3Y lodged by the Entity with ASX on Monday, 25 June 2018 for Mr Grant Davey (the “Director Notice”);
2. Listing rule 3.19A which requires an entity to tell ASX the following:

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

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

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

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

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

3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the

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information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

The Appendix 3Y indicates that a change in Director's notifiable interest occurred on 15 June 2018. It appears that the Director's Notice should have been lodged with ASX by 22 June 2018. Consequently, the Entity may be in breach of listing rules 3.19A and/or 3.19B. It also appears the director concerned may have breached section 205G of the Corporations Act.

Please note that ASX is required to record details of breaches of the listing rules by listed entities for its reporting requirements.

ASX reminds the Entity of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Entity make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: *Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*, we ask that you answer each of the following questions.

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

Your response should be sent to me by e-mail at emerson.walker@asx.com.au, with a copy to tradinghaltsperth@asx.com.au. It should not be sent to the ASX Market Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 7.30 a.m. W.S.T.) on Monday, 2 July 2018.

If you have any queries or concerns about any of the above, please contact me immediately.

Further enquiries

If you have any further enquiries in relation to this letter, please do not hesitate to contact me.

Kind regards

[Sent electronically without signature]

Emerson Walker

Advisor, Listings Compliance (Perth)