23 April 2015

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PANDA HILL PROGRESS UPDATE

Highlights

- **DFS underway with key study consultants selected**
- **75 tonne pilot plant test to commence in May 2015**
- **Mineral Resource update for DFS will be completed in May 2015**
- **Exploration Target of between 200Mt and 400Mt at between 0.4% and 0.6% Nb_2O_5 determined**

Cradle Resources Limited ("Cradle") is pleased to provide additional information as to the progress of the 2015 Definitive Feasibility Study ("DFS"), which follows on from the successful completion of the Pre-feasibility Study results (see announcement dated 31 March 2015).

The planning activities for the DFS have been completed and the following consultants have been appointed to undertake the necessary scopes of work.

Consultants for Panda Hill Niobium Project		
Activity	**Consultant**	**Scope**
Geology	Coffey	Update Mineral Resource Estimate
Mining & Geotechnical	SRK Consulting	Pit optimisation and mine design with geotechncail studies for mine and plant areas
Metallurgical Test work	SGS Canada	75 tonne flotation pilot plant with a further pilot program for the concentrate cleaning step
Plant & Infrastructure	MDM Engineering	Design, layout and cost estimates
Tailings & Water	SLR Consulting	TSF design and costing with surface and groundwater studies
Environmental	MTL Consulting	ESIA Baseline studies, with EIA & EMP

The proposed schedule for the DFS is shown in Figure 1 below. The program indicates a completion date for the study in the fourth quarter, with the majority of the main activities kicking off in May / June 2015.

Key activities already underway include: the update to the Mineral Resource estimate by Coffey Mining, with results expected to be finalised within a month, and the preparation for the flotation piloting being carried out by SGS Lakefield, Canada. This pilot plant program will consist of an initial "mini-piloting" campaign in May to validate the flowsheet and conditions, followed by the combined milling and flotation piloting campaign (75 tonne) in June / July and the concentrate cleaning pilot work in August.

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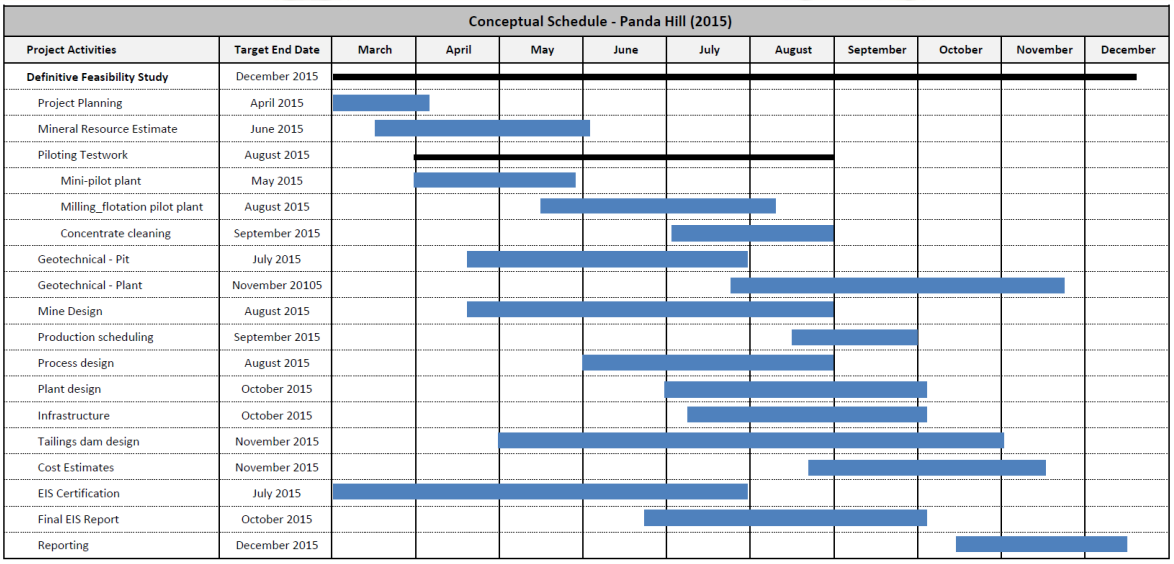

Figure 1: DFS Schedule

As part of the evaluation process a further review of the current drilling, airborne magnetic data and regional mapping was undertaken and Cradle is pleased to announce that an Exploration Target of 200 to 400 million tonnes with a target grade of between 0.4% and 0.6% Nb_2O_5 has been identified over the region of the carbonatite that falls outside of the current Mineral Resource (Figure 2). During this process, four potential high-grade target zones were also identified (Figure 2) which will be the focus for future exploration efforts.

Note on Exploration Target

The Exploration Target is conceptual in nature as there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource under the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code" (JORC 2004). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.

The exploration target is based on a review of 20,000m of RC and diamond drilling, an airborne magnetic survey, historical and detailed geological mapping and select rock samples analysed by hand-held XRF. All of this geological work was carried out by Cradle in 2013 and 2014 (Figure 2).

The results of this review have confirmed the extent of the carbonatite intrusion in the north of the project area with contact regions defined by field mapping. In the southern area of the project interpretation of the magnetics data, historical drilling and surface mapping have been used to determine the carbonatite boundary. Figure 3 illustrates examples of outcrop in the Exploration Target regions.

Based upon the carbonatite boundary, a surface area was defined for niobium mineralised material outside of the current resource area. The depth extent of the Exploration Target is approximately 200m (see Figure 2 for an example section) and a conservative density of 2.5t/m^3. This volume has been reduced by 50% for reporting purposes. The Exploration Target includes both weathered and primary mineralisation types.

The grade profile for the Exploration Target was defined based upon average grades of historical drilling and pitting in the region, combined with an assessment of the grade profile of Cradle drilling in 2013 and 2014. It is noted that in general Cradle drilling often exceeded the tenor of the comparable historical holes.

Niobium analysis of Cradle drilling has been undertaken by SGS Johannesburg using the XRF Borate fusion process. Cradle adheres to industry best-practice in conducting Quality Assurance Quality Assumptions ("QAQC") procedures by inserting blanks and certified niobium standards at a rate of 1:20 samples. Hand sample analysis on-site was performed using a handheld XRF analyser that had been calibrated using certified niobium standards, as a well as against over 40,000 core sample points to provide an accurate field calibration. The QAQC data for the Project has been reviewed by Cradle's Competent Person, Mr Neil Inwood.

Grant Davey, the Managing Director of Cradle, commented: *"The Cradle team looks forward to working with the chosen study consultants as we progress the Panda Hill Niobium Project through the next level of feasibility study. The DFS will commence with the upgraded Mineral Resource in May and the 75 tonne metallurgy pilot test work in Canada which is important for ensuring that the engineering design is optimised for the study. Further to this the work carried out during the last two years on understanding the Exploration Target supports our view that Panda Hill hosts a world-class niobium deposit."*

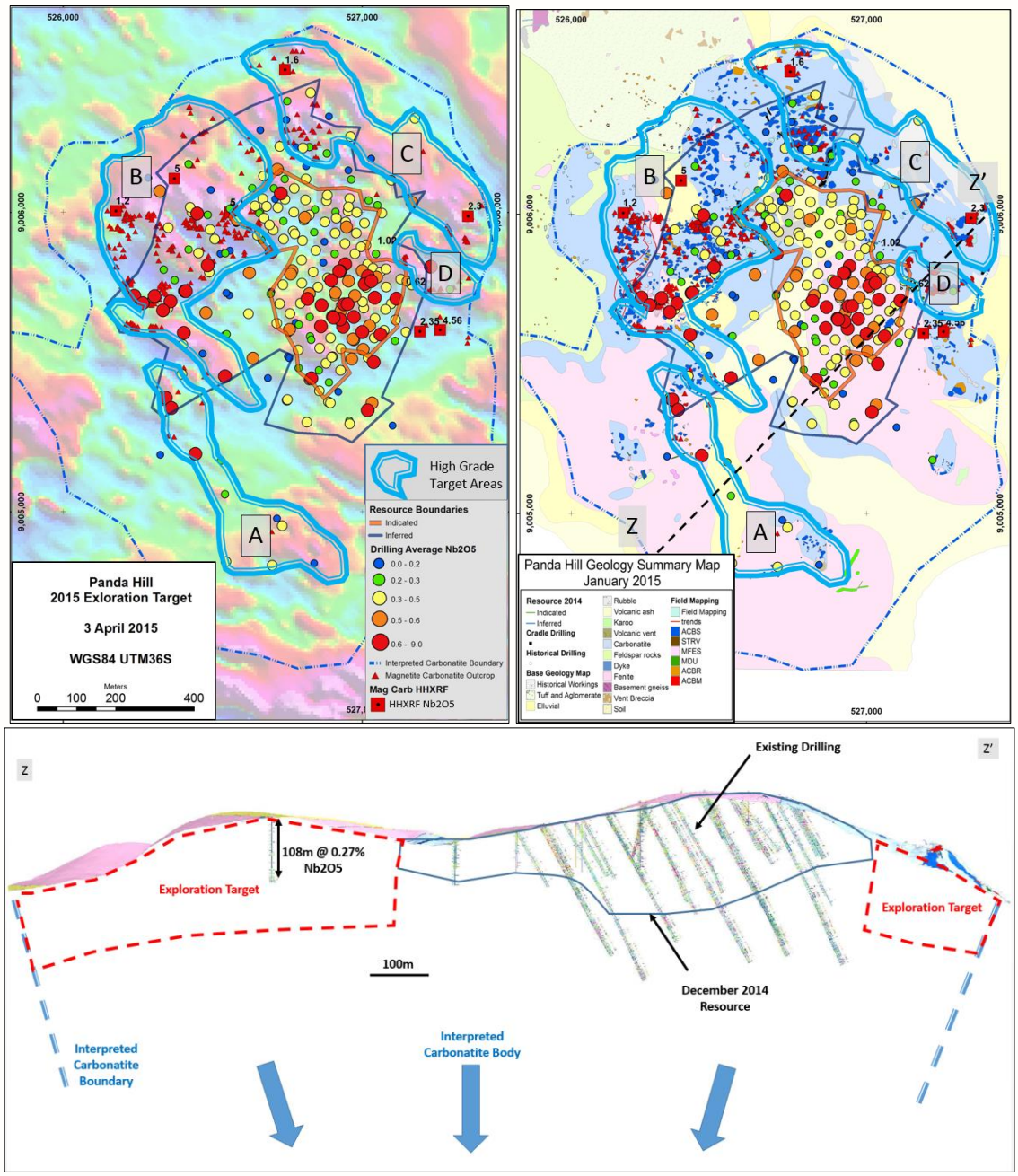

Figure 2: Top: The Exploration Target is contained within the boundary of the carbonatite and outside of the shadow of the current resources. Target regions for potential high-grade mineralisation identified from a combination of mapping, drilling and air-borne magnetic data. The first derivative magnetic data (left hand side) shows magnetic-highs that have a high correlation to mapped mineralised magnetite-carbonatite outcrop (right hand side). Both images show average drill hole grade or pitting (circles), mapped magnetite carbonatite exposure (red triangles), magnetite carbonatite handheld XRF samples (HHXRF – red squares - % Nb_2O_5). Bottom: Example cross section (Z-Z') showing the region of the exploration target with a nominal 200m depth.

Figure 3: Typical examples of outcrop in the priority target areas identified. Top left: Sovite and magnetite-rich carbonatite outcrop in region C. Top right: Magnetite carbonatite from Region B – this sample tested 5% Nb_2O_5 from the hand-held XRF unit. Bottom left: Carbonatite showing flow banding and magnetite-rich bands from Region D. Bottom right: Carbonatite outcrop in region C.

Project Background

The Panda Hill Niobium Project (Figure 5) is located in the Mbeya region in south western Tanzania approximately 650km west of the capital Dar es Salaam. The industrial city of Mbeya is situated only 26km from the project area and will be a significant service and logistics centre for the Project. Mbeya has a population of approximately 280,000 people, located on the main highway to the capital Dar es Salaam and has a newly constructed airport with regular domestic flights from Dar es Salaam and plans for regional expansion. The Panda Hill Niobium Project is unique in that it is located close to highly developed surrounding infrastructure including the TAZARA Rail line (2km away), the Dar es Salaam - Tunduma Highway (5km away) and major power infrastructure (26km away).

The Panda Hill Niobium Project is located on three Mining Licences (ML237/2006, 238/2006 and 239/2006) granted to Panda Hill Mines Ltd on 16 November 2006 and covering a total area of approximately 22.1 km^2. Title of these licences was transferred to RECB Limited ("RECB") on 18 December 2012. Panda Hill Mining Pty Ltd ("PHM"), a wholly owned subsidiary of Cradle, currently has a 50% shareholding in RECB with a an additional exclusive right to acquire the remaining 50% of RECB by June 2017.

In June 2014 Cradle reached an agreement with Tremont Investments Limited (backed by Denham Capital) ("Tremont") to fund the Project to DFS and beyond. Tremont will earn up to a 50% in the Project for a consideration of up to US$20M. To date Tremont has acquired a 25% stake in the Project through funding of US$10M.

Exploration History

The Panda Hill carbonatite intrusion has been subject to multiple phases of exploration work since the 1950s. This work has targeted the niobium and phosphate endowment of the deposit. From 1953 to 1965, the Geological Survey of Tanzania ("GST") undertook mapping, diamond drilling and trenching (17 DDH for 1,405m) to assess the niobium and phosphate potential of the deposit.

From 1954 to 1963, the Mbeya Exploration Company ("MBEXCO") joint venture was formed between N. V. Billiton Maatschappij and Colonial Development Corporation, London. MBEXCO drilled 66 diamond holes for 3,708m, excavated numerous pits, sunk two shafts and undertook trial mining and constructed a trial gravity and flotation plant on site. Concentrate from site was sent to Holland for further processing, with positive early metallurgical test work results noted.

From 1978 to 1980 a Yugoslavian State Enterprise ("RUDIS") undertook a joint study primarily on the phosphate endowment in collaboration with the Tanzanian Mining Industrial Association and State Mining Corporation ("STAMICO"). This work included mapping, diamond drilling and pitting (13 diamond holes for 1,306m).

Cradle commenced exploration work on the Project in 2013 and has drilled 137 holes (RC and DDH) for 20,724m to December 2014. The bulk of the drilling has been on a 50m x 50m pattern with broader lines of up to 100m x 100m. Cradle also undertook extensive geological mapping campaigns over the carbonatite intrusion and has undertaken a magnetic and radiometric survey over the broader region.

Geology

The Panda Hill carbonatite is a mid-Cretaceous volcanic intrusion which has intruded into gneisses and amphibolites of the NE-SE trending mobile belt. It forms a steeply dipping, near-circular plug of approximately 1.5km diameter and is partly covered by fenitised country rocks and residual soil material. The fenite forms a "cap" or roof over the south of the carbonatite complex, and is in turn overlain by residual and transported soils. Volcanic ash over part of the complex suggests a later stage of volcanic activity. It is apparent that portions of fenite, ash and soil cover are underlain by carbonatite and these areas are only lightly explored.

In the main exposed portion of the carbonatite evidence supports three stages of carbonatite activity outwards from the centre of the plug. An early-stage calcite carbonatite forms the core, while intermediate and late-stage carbonatites, composed of more magnesian-rich and iron-rich carbonatites, form the outer parts of the plug. Later stage apatite-magnetite rich rocks and ferro-carbonatite dykes are also found in the complex. Fenitisation of the pre-existing gneisses led to the development of potassium-rich rocks containing K-feldspar and phlogopite.

The Sovite carbonatite from Panda Hill is composed mainly of calcite, which forms an average of 60 - 75% by volume. The fresh Sovite carbonatite may contain up to 5% apatite, with pyrochlore, magnetite, phlogopite and quartz. Dolomite-rich carbonatites (Rauhaugite) and ankerite/siderite-rich carbonatites (Beforesite) are also present and can be mineralised.

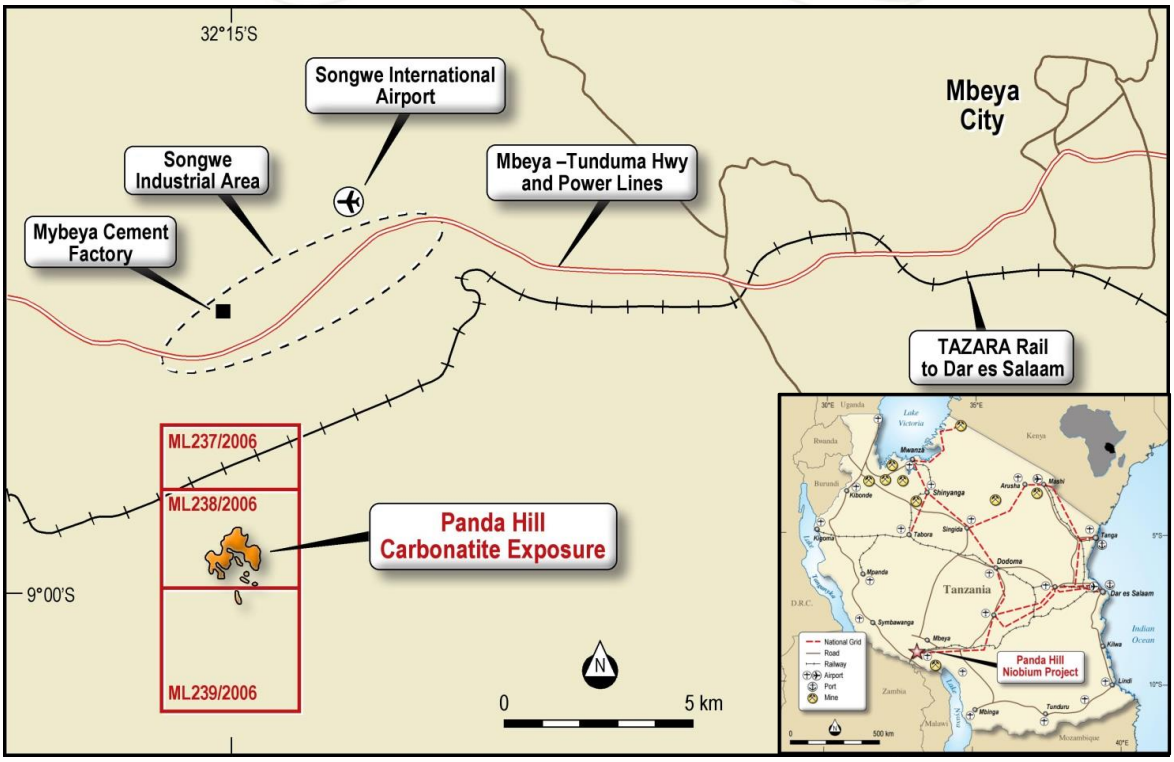

Figure 5: Location of the Project Tenure and Surrounding Infrastructure

By order of the Board

Competent Person's Statement

The information in this document that relates to the Exploration target, Exploration Results and Resources is based on information compiled or reviewed by Mr Neil Inwood who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Inwood is a full time employee of Verona Capital Pty Ltd. Mr Inwood has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Inwood consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

The information relating to the Mineral Resource is extracted from the report entitled 'Significant Resource Upgrade for Panda Hill Niobium Project" created on 20th January 2015 and is available to view on www.cradleresources.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.'

For further information, please visit www.cradleresources.com.au or contact:

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The following extract from the JORC Code 2012 Table 1 is provided for compliance with the Code requirements for the reporting of Exploration results.

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections).

Extract of JORC Code 2012 Table 1

Criteria	JORC Code Explanation	Commentary
Sampling techniques	▪ Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. ○ Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. ▪ Aspects of the determination of mineralisation that are Material to the Public Report. ▪ In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	▪ Sample intervals for the 2013 and 2014 drill core were based on lithological units. Care was taken not to mix different lithologies or weathering types. Sample intervals were nominally 1m length but range from 0.3m to a maximum of 1.5m in barren uniform material. Sample lengths are kept to 1m in mineralised material if possible. ▪ Quarter core samples were taken from the HQ and ½ core from NQ core for assaying. Competent core was cut using a core saw. Friable material was carefully sampled by hand. ▪ RC Samples are split using a cone splitter into 1m samples, then a combined 2m composite is taken using a riffles splitter. RC sample weights are approximately 2kg. ▪ Samples were dispatched to the SGS preparation laboratory in Mwanza, Tanzania, for crushing and pulverising to 85% passing 75µm. Pulps were then sent to SGS Johannesburg, South Africa, for niobium assay by XRF Borate Fusion. ▪ A calibrated hand-held Niton XRF analyser is used to aid in mineralisation identification. ▪ Historic core samples were sampled according to rock type. Sample intervals reportedly varied between 2m and 20m, however the assay data contains some sample intervals much larger than this. Unrealistic intervals were not included in the estimate. ▪ Historical pits were sampled predominantly on 1m intervals vertically. ▪ Rock samples were collected according to prospective outcrop and typically analysed over 3 data points.
Drilling techniques	▪ Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	▪ 2013 diamond drilling was conducted by Bamboo Rock drilling. 2014 diamond drilling was conducted by Capital Drilling. Drilling typically started in HQ3 core to allow for safe collaring and to capture sufficient material for metallurgical test work. When difficult drilling conditions were encountered, the HQ rods were left as casing to allow for continuation of drilling using NQ rods. HQ and NQ core is typically taken. ▪ Core orientations were done with the Reflex orientation tool. ▪ RC Drilling is by a Schram 450 rig drilling with a 5.5" diameter bit typically and a 900cfm compressor. No booster compressor was required for RC drilling. ▪ Type of rig and core size were not recorded for the majority historic holes. One generation of historic holes (drilled by RUDIS) were drilled using a Longyear 38DC rig with NQ core sampled as quarter core and BQ core sampled as half core.
Drill sample recovery	▪ Method of recording and assessing core and chip sample recoveries and results assessed. ▪ Measures taken to maximise sample recovery and ensure representative nature of the samples. ▪ Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	▪ Core recovery is measured as a % and any cavities or missing intervals are recorded. ▪ Recovery was generally high for all core. Up to 6% voids are reported in some regions. ▪ RC recovery is recorded by visual estimation of recovered sample bags and by weighing all sample rejects from the splitter. Recovery is generally good. ▪ Recovery is not recorded for the historic data.
Logging	▪ Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. ▪ Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. ▪ The total length and percentage of the relevant intersections logged.	▪ Logging of the 2013 and 2014 drill holes included recording of lithological contacts, weathering contacts, vein/dyke orientations, and the orientation of any observed flow banding. Structural measurements (alpha and beta) were taken. Wet and dry core photos were taken. All Cradle core was logged. ▪ Geotechnical logging of the Cradle holes were completed by a geotechnical engineer. RQDs, defects, weathering, strength, infill, and jointing were recorded. ▪ Logging is of sufficient quality for current studies. ▪ Geological logging of historic holes was qualitative, focusing on rock type and mineralogy, particularly the presence of pyrochlore and apatite, and the carbonate mineralogy. Some holes only had summary log information. Overall the historical logging is repeated by the 2013 logging. The 2013 logging contains the most detail, the RUDIS logging is generally good, and the logging of the MBEXCO drill holes is generally in less detail than the other drill campaigns.
Sub-sampling techniques and sample preparation	▪ If core, whether cut or sawn and whether quarter, half or all core taken. ▪ If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. ▪ For all sample types, the nature, quality and appropriateness of the sample preparation technique.	▪ For the 2013 and 2014 drilling, half core samples were sent to SGS Vancouver for metallurgical testing and quarter core samples were sent to SGS Johannesburg for assay after being sent to SGS Mwanza (Tanzania) for preparation. ▪ All sampling of the 2013 and 2014 core was supervised by a qualified geologist. Ticket books were used with pre-numbered tickets placed in then sample bag and core tray double checked against the ticket stubs to guard against sample mix ups.

Criteria	JORC Code Explanation	Commentary
	▪ Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. ▪ Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. ▪ Whether sample sizes are appropriate to the grain size of the material being sampled.	▪ One metre lengths of quarter HQ/NH core, as sampled by Cradle, are considered sufficient to provide an adequately representative sample for assaying. ▪ RC samples were taken as 2m composites. ▪ RUDIS sampled NQ core as quarter core and BQ core as half core to ensure similar weights were collected. Samples were crushed on site, composited and sent to Yugoslavia for analysis in their own laboratory using a Philips XRF machine. ▪ Details of historic sampling from GST and MBEXCO are not known. ▪ Portions of the 2013 drill holes that twin sections of the historic holes show comparable Nb_2O_5 grades.
Quality of assay data and laboratory tests	▪ The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. ▪ For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. ▪ Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	▪ Coffey conducted an inspection of the Johannesburg laboratory during a site visit in August 2013 and found the laboratory to be of industry standard with no problems noted. ▪ Matrix matched standards are inserted every 20 samples on sample numbers ending in 0 (e.g. *00, *20, *40 etc). Eight different standards were used. Approximately 10g of standard was used for the XRF Borate fusion analysis samples (note: borate fusion only used ~4g of pulp). Standards were either supplied pre=packaged or were measured into a small paper bag so the standards were not blind. ▪ Blanks were inserted at a 1:50 ratio (i.e. samples *10, *70) and at the start of each batch. ▪ A programme of coarse reject duplicates was undertaken for the core samples. Duplicates were taken at a rate of approximately 1 in 30. ▪ Field duplicates of RC samples were taken at a rate of 1 in 30. ▪ A selection of pulps were sent to Genalysis in Perth for umpire assaying. ▪ Hand sample analysis on site by hand-held XRF was performed using a Niton XL3t 950 GOLDD+ analyser than that had been calibrated using certified niobium standards, as a well as against over 40,000 core sample points to provide an accurate field calibration.
Verification of sampling and assaying	▪ The verification of significant intersections by either independent or alternative company personnel. ▪ The use of twinned holes. ▪ Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. ▪ Discuss any adjustment to assay data.	▪ Coffey conducted site visits in August 2013 and September 2014, during the drilling programmes, observing all drilling procedures. All procedures were considered industry standard, well supervised and well carried out. ▪ Geological data is entered directly into a "Tough Book" (logging laptop computer). The data is then downloaded to a computer where it is compiled into an access database. ▪ Assay data is provided as csv files from the laboratory and extracted using DataShed, eliminating the chance of data-entry errors. Spot checks are made against the laboratory certificates. ▪ 3 RC holes have been drilled to twin the 2013 diamond drilling, and a further 4 effectively in the 2014 drilling. ▪ Hand held XRF calibration data has been validated against thousands of laboratory assay returns from RC and core samples. The field calibration used is generally within 15% of laboratory analysis.
Location of data points	▪ Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. ▪ Specification of the grid system used. ▪ Quality and adequacy of topographic control.	▪ Collar positions were set out using a Handheld Garmin GPS with reported accuracy of 3m. 90% of collars have been picked up using a DPGS. Two pegs lined up using a Suunto compass were used to align the rig. Historic holes were drilled on the Tanzanian ARC60 grid. Cradle Resources are using WGS84, UTM36S. ▪ Drill hole positions have been surveyed by DGPS using a local base station and survey stations and have an average relative accuracy of ±2cm. ▪ Downhole surveys were taken using a Reflex electronic multi shot instrument. Collar surveys were taken using a compass and inclinometer. Whilst there is the possibility of deviations in the recorded azimuth due to the presence of magnetite in the carbonatite, overall the surveys showed only minor deviations in azimuth and dip. There is no apparent trend to the deviations based on drilling direction.
Data spacing and distribution	▪ Data spacing for reporting of Exploration Results. ▪ Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. ▪ Whether sample compositing has been applied.	▪ The drill holes are spaced on a nominal 50m to 100m spacing; with 50m section lines. ▪ The 2014 drilling had a nominal sample length of 1m for diamond and 2m for RC. ▪ The data spacing is considered suitable for resource estimates. ▪ Historical drilling has spacings of 200m x 200m to up to 1km. ▪ Rock and pit samples have spacings of 200m to 1km.
Orientation of data in relation to geological structure	▪ Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. ▪ If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	▪ The distribution of pyrochlore/columbite and hence of niobium within the carbonatite is fairly uniform for the lower grade material. Higher grade areas occur in the steeply dipping schlieren (flow banding), particularly in the magnetite rich zones. The recent drilling has been oriented with a dip of 60° with an azimuth of 045 degrees, which is considered acceptable to test the mineralisation.
Sample security	▪ The measures taken to ensure sample security.	▪ Details for sample security for the historic drill holes is not known. ▪ Samples from the 2013 and 2014 drilling were placed into small plastic bags with the

Criteria	JORC Code Explanation	Commentary
		pre-printed sample number. These bags were stapled shut in the core yard. The samples were then put into large polyweave or plastic bags with approximately 10 samples per bag. These were sealed shut using tape prior to being transported to the SGS preparation laboratory in Mwanza (northern Tanzania).
Audits or reviews	▪ The results of any audits or reviews of sampling techniques and data.	▪ Coffey conducted a site visit during the drilling program in August 2013 and during the infill drilling programme in September 2014. The sampling techniques were reviewed and found to be of industry standard and entirely appropriate for this type of deposit.

Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section).

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	▪ Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. ▪ The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	▪ The project area is located on three granted MLs (ML237/2006, 238/206 and 239/2006) located approximately 25km WSW of regional capital of Mbeya, in southern Tanzania. The three MLs cover an approximate area of 22km^2. Cradle Resources holds a 50% interest in all three MLs through its ownership of Panda Hill Mining Pty Ltd (PHM). RECB Ltd (a BVI Company) owns the three Panda Hill MLs, PHM owns 50% of RECB Ltd and has an option to purchase the remaining 50%. It is understood that a 3% royalty may be payable to the Tanzanian Government once mining has started. The licences are not subject to any 3rd party agreements. ▪ The resource and the bulk on ML237/2006 and ML238/2006 are located within a region of designated Prison grounds. The Resource itself is removed from any buildings or infrastructure. As the location of the resource is located within the prison boundaries, only the prison-related community would be directly affected by any potential mining activities. ▪ The three granted MLs are current until 16 November 2016. Department of Prisons approval is required for any work to be conducted on ML237/2006 and ML238/2006. Cradle Resources has obtained permission to operate on these areas and is not aware of any impediment for future operations.
Exploration done by other parties	▪ Acknowledgment and appraisal of exploration by other parties.	▪ The Panda Hill Niobium project has been explored since the 1950s. The Geological Survey of Tanzania (GST) and Mbeya Exploration Company (MBEXCO) drilled 83 diamond drill holes for a total depth of 5,187m in the Panda Hill project area in the 1950's and early 1960's. Yugoslavian company RUDIS, in joint venture with the State Mining Company of Tanzania (STAMINCO), drilled 13 diamond drill holes for a total of 1,305m in the period of 1978 to 1980. These holes were drilled on a 100m x 100m spacing, centred on the Tanzanian ARC60 grid. Drill hole logs and assays are available for the historic drilling. Laboratory certificates have been sighted for the GST drilling and original data printouts have been obtained for the RUDIS drilling.
Geology	▪ Deposit type, geological setting and style of mineralisation.	▪ The project is characterised as a carbonatite hosted niobium deposit. The bulk of the Panda Hill niobium mineralisation is found within pyrochlore and lesser columbite. The bulk of the known mineralisation is located within carbonatite lithologies, with Nb_2O_5 grades typically ranging from 0.1% to 1%. Higher-grade niobium mineralisation is noted within flow-banding (schlieren) within the carbonatite and within the surficial weathered cap.
Drill hole Information	▪ A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: ▫ easting and northing of the drill hole collar ▫ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ▫ dip and azimuth of the hole ▫ down hole length and interception depth ▫ hole length ▪ If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	▪ Drill hole coordinates and orientations and exploration results have been announced by Cradle Resources previously.
Data aggregation methods	▪ In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. ▪ Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be	▪ This statement relates to an Exploration Target. Exploration results have been announced by Cradle Resources previously.

Criteria	JORC Code Explanation	Commentary
	shown in detail. ▪ The assumptions used for any reporting of metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	▪ These relationships are particularly important in the reporting of Exploration Results. ▪ If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. ▪ If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	▪ This statement relates to an Exploration Target. Exploration results have been announced by Cradle Resources previously.
Diagrams	▪ Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	▪ A drill hole and sample plan and accompanying cross-section are provided in Figures 2 to 3 of this report.
Balanced reporting	▪ Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	▪ This statement relates to an Exploration Target. Exploration results have been announced by Cradle Resources previously.
Other substantive exploration data	▪ Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	▪ Detailed geological mapping has been conduction by the Tanganyika Geological Survey in the 1950s and RUDIS in the 1980s. Two papers detailing the geology of the Panda Hill carbonatite were subsequently published in Economic Geology. ▪ Cradle conducted geological mapping at the same time as the drilling program. Both the recent and historic mapping provide information relating to the orientation of the flow banding within the carbonatite. ▪ Metallurgical test work has been conducted by MBEXCO and RUDIS in the past. MBEXCO also conducted trial mining. Cradle has undertaken metallurgical test work on the mineralised carbonatite material. At the time of writing the results are not available, however there is no reason to suspect they will be materially different from the historic test work results.
Further work	▪ The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). ▪ Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	▪ Further exploration work is planned over the 4 high-priority regions identified. ▪ A magnetic survey has been completed over the project which will aid in future targeting work.