



Panda Hill – The Next Niobium Producer

Niobium – The New Age Steel Alloy

May 2015



The Scenario

- An open cut Mineral Resource equivalent¹ to 15 Moz at 2.6 g/t gold which is open at depth and along strike
- Pre-Feasibility Study demonstrates an NPV₁₀ (after tax) of US\$460M and IRR of 57% with Capex under US\$200M
- The most viable development project in Niobium in 39 years
- A rare strategic commodity with limited substitutes
- High margin business
 - Stable commodity price regime
 - Low operating cost
- Great infrastructure (roads, airport, power, water)
- Stable political and operating regime



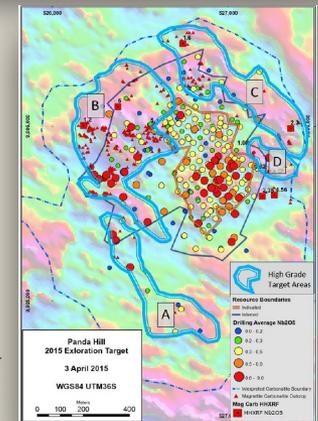
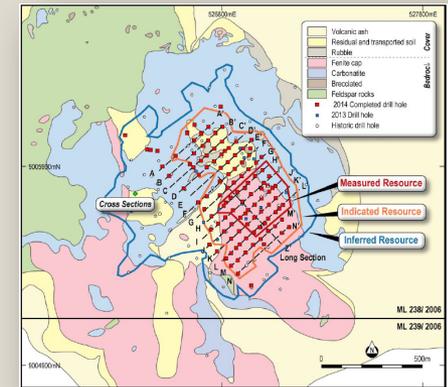
¹The metal equivalent grades are shown to illustrate Nb₂O₅ grade data relative to more traditional commodities to aid in the interpretation of the results and are not intended to indicate the presence of Au credits. The formula used to derive the equivalent grades is shown on the last page of this presentation.



A World Class Mineral Resource Endowment

April 2015 Mineral Resource update by independent international consultants (Coffey Mining)

- 178Mt at 0.5% Nb₂O₅ (above a 0.3% cut-off)
- 69Mt at 0.53% Nb₂O₅ Measured and Indicated Resources
 - Includes 26Mt at 0.72% Nb₂O₅ (above a 0.5% cut-off)
- Only 1/3 of the carbonatite footprint drilled by Cradle
- Exploration Target² of 200Mt to 400Mt at between 0.4% and 0.6% Nb₂O₅



²Note 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 2012). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.



Commercial Niobium is Very Rare

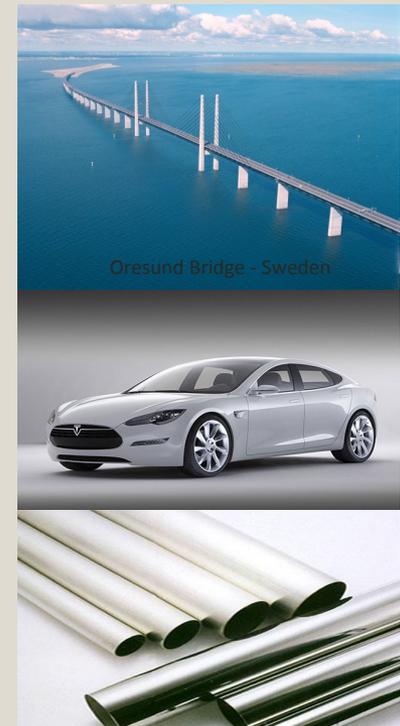
- “Strategic” metal, steel alloy, makes harder, lighter steel products
 - Niobium production generates in excess of \$1 billion in operating profits per annum at current prices
- Only 3 existing Niobium producers world wide
 - CBMM (84%), Brazil
 - Anglo American (7 - 8%), Brazil
 - Magris (7 - 8%), Canada
- No new Niobium producers since 1976 (none in 39 years)
- Panda Hill is the most viable undeveloped Niobium Project world-wide
- CBMM (private company) valued at \$10 billion
 - 70% owned by Brazilian banking family
 - 15% Chinese steel mills (Baosteel, Shougang, Anshan, Taiyuan)
 - 15% Japanese and South Korean steel mills (Fe Steel, Nippon, Sojitz, Posco)



Niobium Market

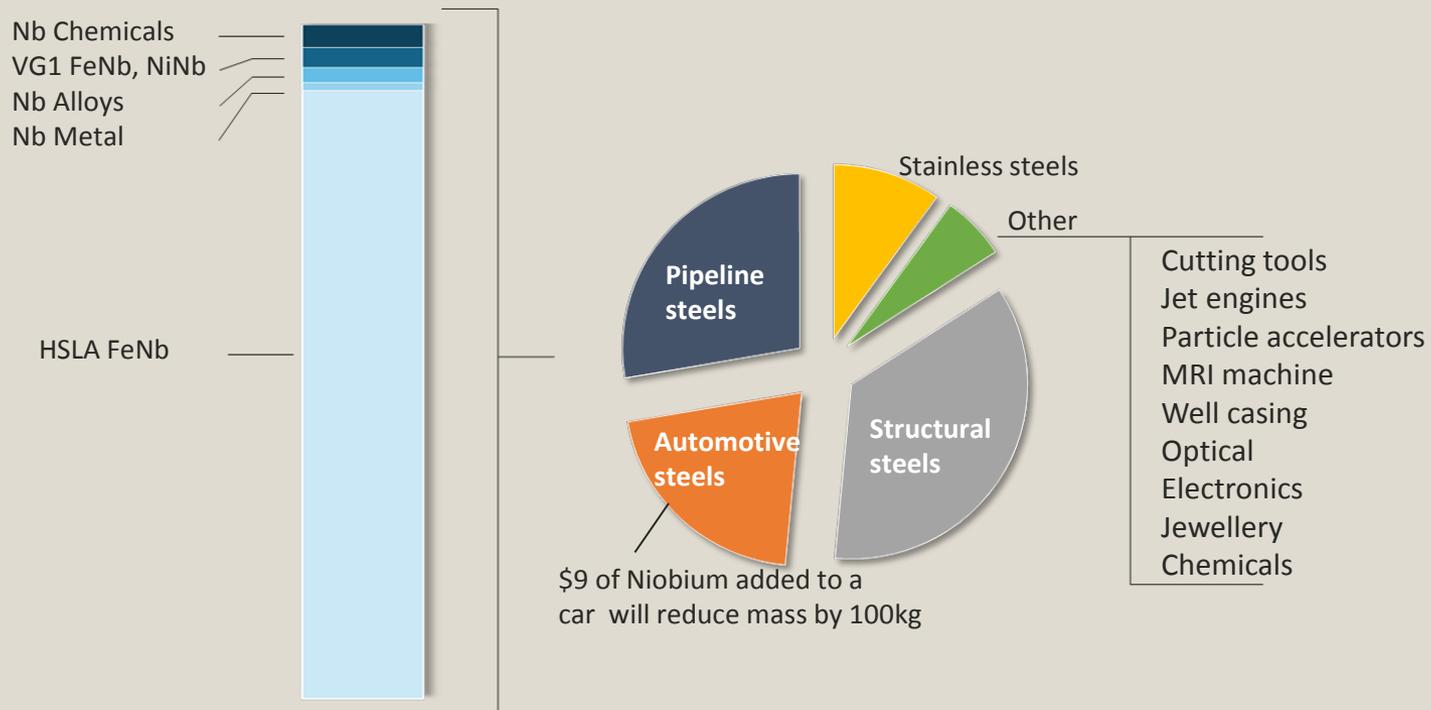
Niobium is a boutique metal with one dominant producer

- Long history of stable prices
- No signs of significant new suppliers
- Strategic “new-age” metal with likely growth of 25% in next 6 years
- This Project will add about 5% to global supply
- Market size is \$2.2 billion pa (3 times graphite)
- China does not have any in country resources and needs long life alternative sources



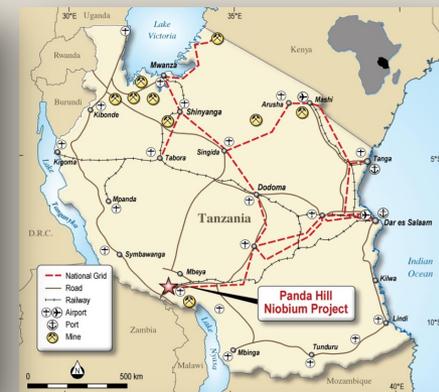
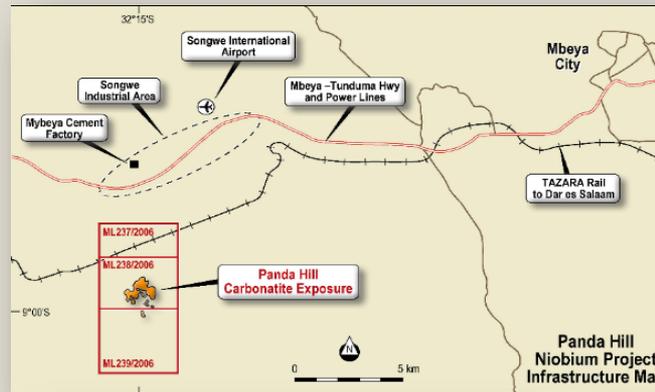
Niobium Products & Uses

HSLA steels accounts for about 90% of global Niobium consumption



Panda Hill Location

- 650km from Dar es Salaam
- In the Mbeya region
 - 280,000 people
 - Industry and farming focus
- Excellent project access
 - International airport
 - Good road infrastructure
 - TAZARA Rail
- World class infrastructure
 - Water
 - Power
- Good mining jurisdiction



The Panda Hill Niobium Project

- Located in Tanzania
- JORC Resource
 - 178Mt at 0.50% Nb₂O₅ (above a 0.3% Nb₂O₅ lower cutoff)
 - Gold equivalent of 15 Moz at 2.6 g/t gold¹
 - Significant Exploration Target
- First 20Mt mineable at 0.7% Nb₂O₅
- Good flotation recoveries, in line with current producers
 - Extensive metallurgical test work – 165 open circuit flotation tests and 17 locked cycle test
 - 60% - 70% recoveries in fresh carbonatite
 - 50% - 60% recoveries in weathered carbonatite



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Pre feasibility Study – March 2015

Option	Mill Through put	Average Cash Cost at mine gate (US\$/kg Nb)	Construction Capital (US\$)	Payback (Years)	Life of Mine (Years)	NPV ₁₀ (US\$M)	IRR (%)
Base Case (HFO then Grid power)	2Mtpa	\$18.88 (\$15.93 Yrs 1-10)	\$158M	1.5 Yrs	30 Yrs	\$466M	57%
Initial 1Mtpa Expanded 2Mtpa 2Mtpa	1Mtpa (Yrs 1-5) 2Mtpa (Yrs 6-30)	\$18.69 (\$17.56 Yrs 1-10)	\$120M (initial) \$70M (Expansion)	3.1 Yrs	30 Yrs	\$439M	37%

See release dated 31 March 2015 - <http://www.cradleresources.com.au/investors.asp?ref=announcements>

Cradle Resources confirms that since the release of PFS Results there have been no material changes in the underlying material assumptions.



Niobec – Case Study

Niobec is an existing Nb producer (a subsidiary of IAMGOLD, TSX listed)

- A 2Mtpa underground operation located in Canada
- Same flow sheet as Panda Hill, except underground mining, similar geology
- Characterised by solid earnings and a stable metal price
- Recently sold by IAMGOLD for US\$500M to an Asian backed consortium

Year	Nb Price US\$	EBITDA US\$	Head grade Nb ₂ O ₅
2008	\$34/kg	\$79m	0.62%
2009	\$37/kg	\$86m	0.61%
2010	\$37/kg	\$79m	0.61%
2011	\$39/kg	\$68m	0.57%
2012	\$41/kg	\$72m	0.55%
2013	\$41/kg	\$88m	0.56%
2014	\$42/kg	\$113m	0.58%

Note: Extracted from Annual Reports of IAMGOLD Limited (rounded)



Extraction Process

Well known, simple extraction process:

- Flotation circuit to produce a concentrate (~50-55% Nb_2O_5)
- Then a converter (mini-roast) to produce FeNb (~66% Nb)
- Similar process used by all existing Niobium producers
- FeNb is marketed directly to steel mills as a direct feed in the steel alloy process
- Panda Hill ore has simple metallurgy and test work is positive
- Metallurgical recoveries range from 52% to 70% with a LOM average of 62%



The Plan

- DFS complete 4th quarter 2015 (US\$5 million)
 - Engineering designs based on a 1Mtpa plant ramping up to 2Mtpa after payback period
 - Mineral Resource update – Published 30 April 2015
 - Pilot plant testing (milling, flotation and leach) – May to August 2015
 - Cost estimates – November 2015
 - Environmental certification – July 2015
 - Off-take negotiations – March to Sept 2015
- 2015/2016 - development of Project (50/50 funding with Tremont)
 - Estimated US\$15M initial Capex (includes working capital and pre-production costs for 1Mtpa)
 - Estimated 50% debt / 50% equity (Tremont experienced with African project financing and coordinating process)



Project Level Deal

- Tremont has the right to subscribe up to US\$20 million to acquire a 50% interest in the Panda Hill Niobium Project, by sole funding expenditure
- Post earn-in all further costs are shared 50/50 (e.g. development costs and option exercise cost)
- The Tremont subscription will be staged as follows:

US\$	Timing	Tremont Interest	Cradle Interest
1st \$5m	Paid in June 2014	12.5%	87.5%
2nd \$5m	Paid in November 2014	25.0%	75.0%
3rd \$5m	Paid in May 2015	37.5%	62.5%
4th \$5m	Following completion of DFS, to be used towards development	50.0%	50.0%



Capital Structure

Cradle Resources Limited (ASX listed)	
Issued Shares*	147,477,617
Performance rights	1,837,500
Unlisted options (ex 26.7c exp May 2016)	7,687,500
Unlisted options (ex 25c exp April 2018)	1,000,000
Unlisted options (ex 25c exp October 2018)	2,500,000
Total Rights and Options	13,025,000

*Included in Issued Shares are 18,750,000 Class B performance shares which convert to ordinary shares subject to completion of a definitive feasibility study which demonstrates an NPV₁₀ of US\$400 million or greater.

Project Ownership

Cradle currently owns 50% of the Panda Hill Project, with an option to purchase the balance for US\$14 million* on or before March 2017. Tremont is farming in to earn 50% of Cradle's interest in the Project. Accordingly, post the farm-in and option exercise, Cradle will hold 50% of the Project

* The precise option exercise price is US\$17.1 million less 25% of project expenditure during the option period. The estimated likely deduction is ~US\$3.1 million. An instalment of US\$500,000 is payable within 2 years.



Experienced, High Calibre Management Team

Craig Burton	Chairman	Resource Entrepreneur	<ul style="list-style-type: none"> Panoramic, Exco, Capital Drilling, Mirabela
Grant Davey	Managing Director	Mining Engineer	<ul style="list-style-type: none"> Senior operational management AGA, Anglo American
Keith Bowes	Project Manager	Metallurgist	<ul style="list-style-type: none"> Project management, Anglo American, BHP, Vale
Neil Inwood	Geology Manager	Geologist	<ul style="list-style-type: none"> Principal consultant Coffey
Claude Dufresne	Marketing Consultant	Mining / Metallurgy Engineer	<ul style="list-style-type: none"> Marketing of Niobec product for 13 years



Summary

- Advanced project – Expect decision to mine early 2016
- Strong economics – PFS Demonstrates NPV₁₀ US\$460M
- World class Mineral Resource
- Experienced management team
- Only new producer in 39 years
- Stable commodity price
- Stable operating environment

“A great investment opportunity”



Disclaimer and Competent Person Statements

The summary information contained herein has been provided by Cradle Resources ("Cradle" or the "Company"). No representation, express or implied, or warranty as to the accuracy or completeness of the information contained herein is made by any party and nothing contained herein is or shall be relied upon as a promise or representation as to the future. In all cases, recipients should conduct their own investigation and analysis of Cradle.

The information contained within is only for distribution to the direct recipient and is not to be released to any third parties.

All statements, trend analysis and other information contained in this document related to markets for Cradle, trends in revenue, gross margin and anticipated expense levels, as well as other statements about anticipated future events or results, constitute forward-looking statements. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "intend", "forecast", "project", "likely", "potential", "target" and "possible" and statements that an event or result "may", "will", "would", "should", "could" or "might" occur or be achieved and other similar expressions. Forward-looking statements are subject to known and unknown business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements are based on estimates and opinions of management at the date the statements are made.

Cradle does not undertake any obligation to update forward-looking statements even if circumstances or management's estimates or opinions should change. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

The information in this document that relates to 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.

Cautionary Statement concerning Production Targets including Inferred Resources: Cradle advises that the PFS results and production targets reflected in this announcement are preliminary in nature as conclusions are drawn from partly from Indicated Mineral Resources and partly from Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated or Measured Mineral Resources or that the production target itself will be realised.

The information in this presentation regarding PFS results is extracted from the announcement entitled 'Positive Pre-Feasibility Study for Panda Hill' dated 31 March 2015 and is available to view on <http://www.cradleresources.com.au>. 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. The Company confirms that all the material assumptions and technical parameters underpinning the production targets and the forecast financial information derived from the production targets in the PFS continue to apply and have not materially changed.

Competent Person's Statement

The information in this presentation relating to the Panda Hill Resource Estimate is extracted from the announcement entitled 'Substantial Increase to Panda Hill Resource' dated 30 April 2015 and is available to view on <http://www.cradleresources.com.au>. 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 that, in the case of Mineral Resources or Ore Reserves, all the 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.

The information in this document that relates to the Exploration target, Panda Hill Geology and Historic Data, Exploration Data, and Geology is based on information provided 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 and 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 2012 edition of the "Australasian Code for Reporting of Mineral Resources and Reserves". Mr Inwood has consented to the inclusion of this information in this document in the form and context in which it appears..

¹Au equivalent grades have been based upon spot prices of US\$1,250/oz and a Nb metal price of \$40/kg for Nb in FeNb. A recovery factor of 65% for Niobium and 90% for gold has been used for this comparison. The Niobium recovery is based upon initial testwork reported by Cradle Resources in January 2014. The formula used to estimate the metal equivalents is $(A \times B \times C \times Ra) / (D \times Rd)$. Where A = Nb₂O₅ grade, B is the Nb₂O₅ to Nb oxide conversion (1/1.43), C is the Niobium price per Kg, Ra is the estimated niobium recovery, D is the comparison metal price unit, and Rd is the estimated comparison metal recovery.

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Schedule 1 - April 2015 Resource - Detail

2014 Panda Hill 2015 Mineral Resource - Reported Above a 0.3% Nb₂O₅ Lower Cut-off

Classification	Combined		
	Million Tonnes	Nb ₂ O ₅ %	Nb ₂ O ₅ Content (kt)
Measured	16	0.63	99
Indicated	53	0.50	263
Inferred	109	0.48	528
Total	178	0.50	891
Classification	Primary Carbonatite ¹		
	Million Tonnes	Nb ₂ O ₅ %	Nb ₂ O ₅ Content (kt)
Measured	14	0.62	84
Indicated	50	0.49	247
Inferred	103	0.48	496
Total	167	0.50	828
Classification	Weathered Carbonatite ²		
	Million Tonnes	Nb ₂ O ₅ %	Nb ₂ O ₅ Content (kt)
Measured	2	0.67	15
Indicated	3	0.53	15
Inferred	6	0.52	32
Total	11	0.55	63

Note: Figures have been rounded. ¹ Primary Carbonatite is defined as a region of fresh to Moderately Oxidised material dominated by carbonatite lithologies. This material is expected to have a higher metallurgical recovery. ² Weathered Carbonatite is a region dominated by strongly oxidised material comprising weathered carbonatite with other mixed lithologies. This material is expected to have a lower recovery than the Primary Carbonatite material.





Thank you

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