

24 June 2014

ASX Release

ASX Code: CXX, CXXO

**FIRST TRANCHE OF TREMONT FUNDING RECEIVED
AND \$3.6 MILLION PLACEMENT COMPLETED**

Cradle Resources Ltd (ASX: CXX, CXXO) is pleased to announce that the first US\$5 million tranche has been received under the agreement with Tremont Investments Limited to pay up to US\$20 million (A\$21.5 million) to earn up to 50% of the Panda Hill Niobium Project in Tanzania, as announced on 11 June 2014. These funds will be used to advance a Pre-Feasibility Study on the Panda Hill Project, and work on this study is already underway.

In addition, the Company has completed the placement of 18,000,000 ordinary shares (Placement shares) at an issue price of A\$0.20 per share, representing proceeds of A\$3,600,000 before costs (Placement). The Placement was marketed to institutional and sophisticated private investors in the United Kingdom by Mirabaud Securities LLP and in Australia by Argonaut Securities Limited. The net proceeds of the Placement will be used to pay existing creditors and provide a working capital buffer for the Company. A 5% fee is payable by the Company on the Placement monies raised.

The suspension of trading in the Company's securities will be lifted and the Company reinstated to official quotation effective immediately.

As the Placement shares will be issued without disclosure to investors under Part 6D of the *Corporations Act 2001* (Cth), the Company will lodge a compliance prospectus (Cleansing Prospectus) under section 708A(1) of the Corporations Act to enable secondary trading of the Placement shares.

The Company will also allot 19,537,500 ordinary shares following the conversion of 18,750,000 Class A Performance Shares and 787,500 Performance Rights. Conversion of the Performance Shares was conditional upon the completion of a Scoping Study, including metallurgical work and confirmatory drilling, to the reasonable satisfaction of the independent directors of the Company as evidenced by a decision to proceed with work on the Project. This condition is satisfied. A similar condition relating to the Performance Rights is also satisfied.

The Placement shares and the shares to be allotted upon conversion of the Performance Rights will be issued under the Company's existing 25% placement capacity under Listing Rules 7.1 and 7.1A. The shares being allotted upon conversion of the Performance Shares will be issued under the approval given by shareholders at the general meeting held on 26 June 2013 and will be subject to ASX imposed escrow until 1 August 2015.

By Order of the Board

For further information, please visit www.cradleresources.com.au or contact Grant Davey, Managing Director, on telephone +61 8 9389 2000.