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**Half Year Report**  
**31 December 2019**

**Cradle Resources Limited**  
**ABN 60 149 637 016**

[www.cradleresources.com.au](http://www.cradleresources.com.au)

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## Corporate Directory

### Directors

Craig Burton – Chairman  
Grant Davey – Executive Director  
Chris Bath – Non-Executive Director

### Company Secretary

Chris Bath

### Registered Office

102 Forrest Street  
Cottesloe WA 6011  
Telephone: +61 8 9322 6322  
Fax: +61 8 9322 6558

### Securities Exchange Listing

Cradle Resources Limited shares are listed on the  
ASX Limited

### ASX Code

CXX – Fully paid Ordinary Shares

### Share Registry

Link Market Services Limited  
Level 12, QV1 Building  
250 St Georges Terrace  
Perth WA 6000  
Telephone: +61 1300 554 474

### Auditors

Ernst & Young  
11 Mounts Bay Road  
Perth WA 6000

### Website

[www.cradleresources.com.au](http://www.cradleresources.com.au)

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of Cradle Resources Limited for the year ended 30 June 2019 and any public announcements made by Cradle Resources Limited and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Directors of Cradle Resources Limited present their report for the half year ended 31 December 2019. The Company's consolidated financial statements for the half year ended 31 December 2019, presented on pages 6 to 13, form part of this report.

## Directors

The names and details of the Company's Directors in office at any time during the period until the date of this report are:

Mr Craig Burton – Chairman  
Mr Grant Davey – Executive Director  
Mr Chris Bath – Non-Executive Director  
Mr Ian Middlemas – Non-Executive Director

Mr Ian Middlemas resigned as a Director and Mr Bath was appointed as a Director of the Company on 8 July 2019.

## Operating and Financial Review

### Overview

During the half year, the Group continued to focus on the development of its Panda Hill Niobium Project ("Project") located in Tanzania as well as considering new opportunities in the resources sector that could add value to shareholders.

In July 2017, the Tanzanian Government passed amendments to the legal framework governing the mining sector in Tanzania ("New Legislation") which, amongst other things, entitles the Tanzanian Government to a 16% shareholding in all Tanzanian mining companies.

The New Legislation resulted in the termination of the scheme implementation agreement relating to a proposed scheme of arrangement ("Scheme") pursuant to which Tremont Investments Limited ("Tremont") would have acquired all of the issued shares of Cradle.

Notwithstanding this, the Board remains of the view that the Panda Hill Niobium Project is a world class asset and will be the first new niobium producer in over 40 years. The demand for niobium remains high due to its use in the production of quality steel.

The Company continues to liaise with the Tanzanian Government to clarify the uncertainty surrounding new legislation governing the mining sector in Tanzania, and to progress discussions on what project financiers would require so as to complete the financing of the Project. The Company also understands that the Tanzanian Government plans to release new regulations to accompany the new legislation, which may address some of the Company's concerns with the new legislation.

### Panda Hill Niobium Project

The Group owns 50% of Panda Hill Tanzania Limited ("PHT"), which owns 100% of the Panda Hill Niobium Project in Tanzania.

The Project is located in the Mbeya region in south western Tanzania, approximately 680km west of the capital Dar es Salaam (refer Figure 1). The industrial city of Mbeya is situated only 26km from the project area and has a population of approximately 280,000 people. The Project is located near the main highway to the capital Dar es Salaam and in close proximity to the Songwe Airport which has regular domestic flights from Dar es Salaam and plans for regional expansion.

The Project is covered by three granted Mining Licenses totalling 22.1km<sup>2</sup>, which will enable a quick transition from the study and development phases, through construction and into operation. The area has excellent access to infrastructure, with existing roads, rail, airports and power available in close proximity. The three granted Mining Licenses were all renewed during the December 2015 quarter for a further 10-year period (valid until November 2026).

Cradle and Tremont have entered into an agreement in relation to PHT ("Shareholders Agreement").

As previously advised, the Company and Tremont are in a dispute regarding whether a definitive feasibility study has been delivered within the meaning of the Shareholders Agreement. The dispute has been referred to arbitration. Cradle's position remains as set out previously. An arbitration hearing was scheduled for June/July 2019, however the Parties have mutually agreed to postpone the arbitration hearing until May 2020 to allow time to renegotiate a simplified shareholders agreement. Subject to the outcome of the dispute, if the definitive feasibility study prepared by PHT is accepted as a definitive feasibility study within the meaning of the Shareholders Agreement the parties will then consider whether to proceed with construction of a mine to carry out mining activities on the Project ("Decision to Mine"). Any Decision to Mine on the Project will require Cradle to provide funding to PHT based on its pro-rata shareholding in PHT, or dilute its interest in PHT based upon a value of such interest of US\$20 million plus contributions made by Cradle since October 2015, which is currently approximately US\$3.5 million.

Panda Hill Niobium Project (Continued)

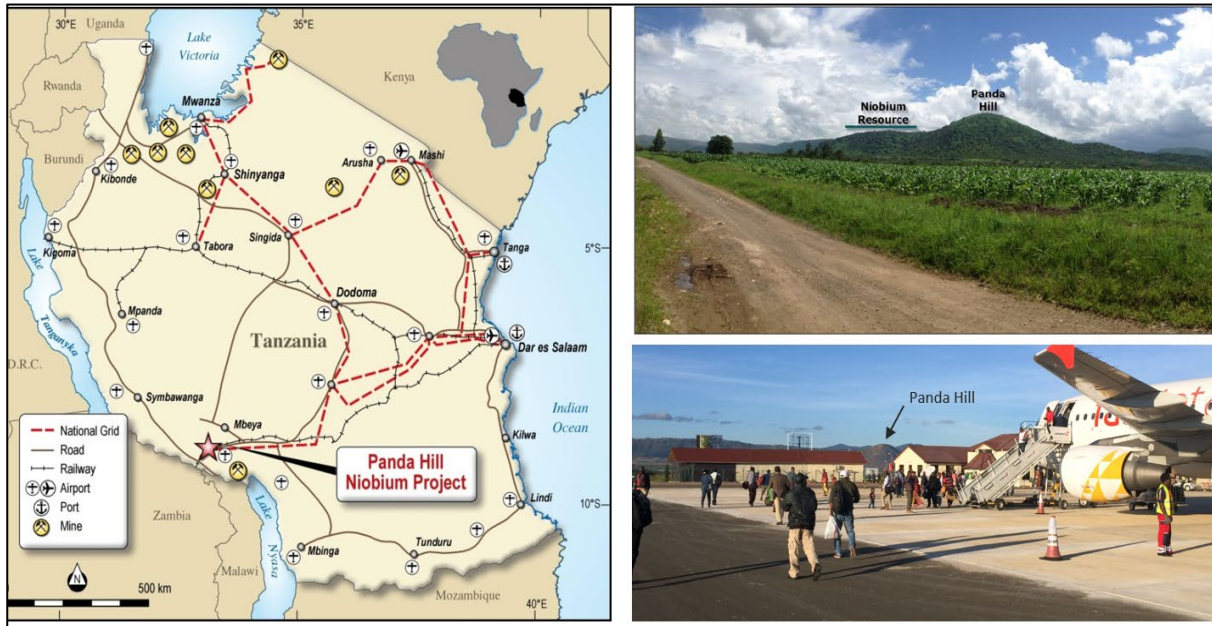


Figure 1: Location of the Panda Hill Niobium Project

In July 2017, the Tanzanian Government passed amendments to the legal framework governing the mining sector in Tanzania (“New Legislation”) which, amongst other things, entitles the Tanzanian Government to a 16% shareholding in all Tanzanian mining companies.

The New Legislation resulted in the termination of the scheme implementation agreement relating to a proposed scheme of arrangement (“Scheme”) pursuant to which Tremont Investments Limited (“Tremont”) would have acquired all of the issued shares of Cradle.

Notwithstanding this, the Board remains of the view that the Panda Hill Niobium Project is a world class asset and will be the first new niobium producer in over 40 years. The demand for niobium remains high due to its use in the production of quality steel.

During the half year, the Company continued to liaise with all levels of the Tanzanian Government to clarify the uncertainty surrounding new legislation governing the mining sector in Tanzania and to progress discussions on what project financiers would require so as to complete the financing of the project.

**Operating Results**

The net loss of the Consolidated Entity for the half year ended 31 December 2019 was \$345,617 (31 December 2018: \$183,698).

**Financial Position**

At 31 December 2019, the Company had cash reserves of \$1,473,875 (30 June 2019: \$1,865,314) and no debt. At 31 December 2019, the Company had net assets of \$24,660,066 (30 June 2019: \$24,987,052).

**Events Occurring after the Balance Date**

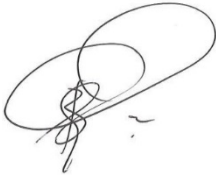
There has not been in the period since 31 December 2019 and up to the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

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### **Auditor's Independence Declaration**

Section 307C of the Corporations Act 2001 requires our auditors, Ernst & Young, to provide the directors of with an Independence Declaration in relation to the review of the half year financial report. This Independence Declaration is made on page 5 and forms part of this Directors' Report.

Signed in accordance with a resolution of the directors.



**GRANT DAVEY**  
**Executive Director**

13 March 2020

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

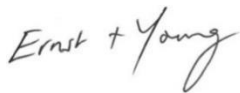
Tel: +61 8 9429 2222  
Fax: +61 8 9429 2436  
ey.com/au

## Auditor's Independence Declaration to the Directors of Cradle Resources Limited

As lead auditor for the review of the half-year financial report of Cradle Resources Limited for the half-year ended 31 December 2019, 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 review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

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



Ernst & Young



T S Hammond  
Partner  
13 March 2020

	Notes	Half Year ended 31 Dec 2019 \$	Half Year ended 31 Dec 2018 \$
<b>Operations</b>			
Interest income		7,472	20,272
Corporate and administrative expenses		(229,224)	(172,296)
Arbitration expenses		-	(29,737)
Business development expenses		-	(2,526)
Employee benefits expenses		(109,115)	(126,023)
Share of loss of joint venture interests	7	(14,750)	(12,457)
Share-based payments		-	-
Other income and expenses	5	-	139,069
<b>Loss before income tax</b>		<b>(345,617)</b>	<b>(183,698)</b>
Income tax expense		-	-
<b>Net loss for the period</b>		<b>(345,617)</b>	<b>(183,698)</b>
<b>Net loss attributable to members of Cradle Resources Limited</b>		<b>(345,617)</b>	<b>(183,698)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit and loss:			
Exchange differences arising on translation of foreign operations		18,631	1,015,571
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>18,631</b>	<b>1,015,571</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>(326,986)</b>	<b>831,873</b>
<b>Total comprehensive income/(loss) attributable to members of Cradle Resources Limited</b>		<b>(326,986)</b>	<b>831,873</b>
<b>Earnings per share</b>			
Basic and diluted loss per share (cents per share)		(0.18)	(0.10)

*This consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the half year consolidated financial report.*

	Notes	31 Dec 2019 \$	30 June 2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	1,473,875	1,865,314
Other receivables		19,626	18,933
<b>Total Current Assets</b>		<b>1,493,501</b>	1,884,247
<b>Non-current Assets</b>			
Other receivables		102,856	102,856
Interest in joint ventures	7	23,125,828	23,056,027
<b>Total Non-Current Assets</b>		<b>23,228,684</b>	23,158,883
<b>TOTAL ASSETS</b>		<b>24,722,185</b>	25,043,130
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		62,119	56,078
<b>Total Current Liabilities</b>		<b>62,119</b>	56,078
<b>TOTAL LIABILITIES</b>		<b>62,119</b>	56,078
<b>NET ASSETS</b>		<b>24,660,066</b>	24,987,052
<b>EQUITY</b>			
Contributed equity	8	31,245,828	31,245,828
Reserves	9	13,827,864	13,809,233
Accumulated losses		(20,413,626)	(20,068,009)
<b>TOTAL EQUITY</b>		<b>24,660,066</b>	24,987,052

The consolidated statement of financial position should be read in conjunction with the notes to the half year consolidated financial report.



	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Consolidation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	31,245,828	-	2,887,952	10,921,281	(20,068,009)	24,987,052
Net loss for the period	-	-	-	-	(345,617)	(345,617)
<b>Other comprehensive income:</b>						
Exchange differences on translation of foreign operations	-	-	18,631	-	-	18,631
<b>Total comprehensive income/(loss) for the period</b>	-	-	18,631	10,921,281	(345,617)	(326,986)
<b>Transactions with owners recorded directly in equity:</b>						
Expiration of unlisted incentive options						
<b>Balance at 31 December 2019</b>	<b>31,245,828</b>	<b>-</b>	<b>2,906,583</b>	<b>10,921,281</b>	<b>(20,413,626)</b>	<b>24,660,066</b>
<b>Balance at 1 July 2018</b>	31,245,828	293,350	1,718,195	10,921,281	(20,117,779)	24,060,875
Net loss for the period	-	-	-	-	(183,698)	(183,698)
<b>Other comprehensive income:</b>						
Exchange differences on translation of foreign operations	-	-	1,015,571	-	-	1,015,571
<b>Total comprehensive income/(loss) for the period</b>	-	-	1,015,571	-	(183,698)	831,873
<b>Transactions with owners recorded directly in equity:</b>						
Expiration of unlisted incentive options	-	(293,350)	-	-	293,350	-
<b>Balance at 31 December 2018</b>	<b>31,245,828</b>	<b>-</b>	<b>2,733,766</b>	<b>10,921,281</b>	<b>(20,008,127)</b>	<b>24,892,748</b>

*The consolidated statement of changes in equity should be read in conjunction with the notes to the half year consolidated financial report.*

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	Notes	31 Dec 2019 \$	31 Dec 2018 \$
<b>Cash flows used in operating activities</b>			
Payments to suppliers, employees and others		(332,991)	(372,844)
Interest received		7,472	20,272
<b>Net cash used in operating activities</b>		<b>(325,519)</b>	<b>(352,572)</b>
<b>Cash flows used in investing activities</b>			
Contributions to joint venture		(65,920)	(78,768)
Loans to joint venture		-	-
<b>Net cash used in investing activities</b>		<b>(65,920)</b>	<b>(78,768)</b>
<b>Cash flows generated from financing activities</b>			
Share issue costs		-	-
Repayment of loans from other entities		-	-
<b>Net cash generated from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(391,439)</b>	<b>(431,340)</b>
Cash and cash equivalents at beginning of period		1,865,314	2,710,231
<b>Cash and cash equivalents at end of period</b>	6	<b>1,473,875</b>	<b>2,278,891</b>

*The consolidated statement of cash flows should be read in conjunction with the notes to the half year consolidated financial report.*

## Notes to the Half Year Consolidated Financial Statements

### 1. Reporting Entity

Cradle Resources Limited (the "Company") is a for profit company limited by shares and incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange. The consolidated interim financial statements of the Company as at 31 December 2019 and for the period from 1 July 2019 to 31 December 2019 comprise the Company and its subsidiaries (together referred to as the "Group"). The nature of the operations and principal activities of the Group are as described in the Directors' Report.

### 2. Basis of Preparation

The Half Year Financial Report for the six months ended 31 December 2019 is a general purpose interim report prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. It is intended to provide users with an update on the latest annual financial statements of the Group and as such it does not include full disclosures of the type normally included in the annual report. It is recommended that they be read in conjunction with the 2019 Annual Report and any public announcements made by the Company during the half year reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

The Half Year Financial Report for the six months ended 31 December 2019 has been prepared in accordance with the accounting policies adopted in the 2019 Annual Report and have been consistently applied by the entities in the Group except for those that have arisen as a result of new standards, amendments to standards and interpretations effective from 1 July 2019. The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half-year.

The consolidated interim 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. At 31 December 2019, the Group had cash and cash equivalents of \$1,473,875 (30 June 2019: \$1,865,314) and net current assets of \$1,431,382 (30 June 2019: \$1,828,169).

As previously advised, the Company and Tremont are in dispute regarding whether a definitive feasibility study has been delivered within the meaning of the Shareholders Agreement. The dispute has been referred to arbitration. The arbitration hearing which was scheduled for the first week of October 2018 has now been adjourned. The date for the adjourned arbitration has yet to be set. Cradle's position remains as set out previously. Subject to the outcome of the dispute, if the definitive feasibility study which has been presented is accepted as a definitive feasibility study within the meaning of the Shareholders Agreement the parties will then consider whether to proceed with construction of a mine to carry out mining activities on the Project ("Decision to Mine"). Any Decision to Mine on the Project will require Cradle to provide funding to PHT based on its pro-rata shareholding in PHT or dilute its interest in PHT based upon a value of such interest of US\$20 million plus contributions made by Cradle since October 2015, which is currently approximately US\$3.5 million.

### 3. Critical Accounting Estimates & Judgements

The preparation of the Half Year Financial Report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this Half Year Financial Report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report as at and for the year ended 30 June 2019.

### 4. Changes to significant accounting policies

#### New and amended accounting standards and interpretations adopted

The Group applied all new and amended Accounting Standards and Interpretations that were effective as at 1 January 2019 including:

#### AASB 16 Leases

The application date of AASB 16 for the Group was 1 January 2019. AASB 16 was issued in January 2016 and it supersedes AASB 17 Leases, and AASB Interpretation 4 Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

## Notes to the Half Year Consolidated Financial Statements

### 4. Changes to significant accounting policies (continued)

Under AASB 16 Leases, the Group's accounting for operating leases as a lessee will result in the recognition of a right-of-use (ROU) asset and an associated lease liability on the Statement of Financial Position. The lease liability represents the present value of future lease payments, with the exception of short-term and low value leases. An interest expense will be recognised on the lease liabilities and a depreciation charge will be recognised for the ROU assets. There will also be additional disclosure requirements under the new standard.

The Group currently has no non-cancellable leases and therefore there is no impact on the financial report for the half year.

#### AASB Interpretation 23

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 Income Taxes ("AASB 112") and does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. There was no impact on the half year financial report from the Group adopting AASB Interpretation 23.

### 5. Other Income and Expenses

	Half Year ended 31 Dec 2019	Half Year ended 31 Dec 2018
	\$	\$
<b>Other Income</b>		
Deemed contributions to joint venture <sup>1</sup>	-	134,435
Net foreign exchange gains	-	4,634
<b>Total other income included in profit or loss</b>	<b>-</b>	<b>139,069</b>

#### Notes:

<sup>1</sup> During the prior period, the Company's joint venture partner sole-funded certain expenditures of its joint venture company, PHT, totalling A\$268,870, of which A\$134,435 (being 50% of the expenditures) is deemed to have been contributed by Cradle and has been recognised as a gain through profit or loss. The Company continues to own 50% of PHT.

### 6. Cash and Cash Equivalents

	31 Dec 2019	30 June 2019
	\$	\$
Cash at bank	<b>1,473,875</b>	1,865,314

### 7. Interest in Joint Ventures

		31 Dec 2019	30 June 2019
	Note	\$	\$
Panda Hill Tanzania Ltd	7(a)	<b>23,125,828</b>	23,056,027

#### (a) Panda Hill Tanzania Ltd

On 6 June 2014, the Company executed an Investment and Shareholders Agreement with Tremont, Panda Hill Mining Pty Ltd ("PHM") and PHT to fund the Project, pursuant to which Tremont has earned a 50% interest in the Project for US\$20 million. The Board of PHT is comprised of two representatives of the Company and two representatives of Tremont. Certain significant decisions will require unanimous approval over the operations of PHT.

## Notes to the Half Year Consolidated Financial Statements

### 7. Interest in Joint Ventures (continued)

As the relevant activities of PHT require approval by both parties and both parties have rights to the net assets, the Company has assessed that the interest in PHT is a joint venture. PHT is a company incorporated in Mauritius where its principal place of business is also located. Its carrying value is measured using the equity method of accounting.

	Half Year ended 31 Dec 2019	Half Year ended 31 Dec 2018
	\$	\$
<b>Reconciliation of movements in interest in Panda Hill Tanzania Ltd</b>		
Carrying amount at 1 July	23,056,027	21,428,498
Cash contributions to joint venture	65,920	78,767
Deemed contributions to joint venture <sup>1</sup>	-	134,435
Foreign exchange differences	18,631	1,015,571
Share of joint venture loss for the period	(14,750)	(12,457)
Carrying amount at 31 December	<b>23,125,828</b>	22,644,814

**Notes:**

<sup>1</sup> During the prior period, the Company's joint venture partner sole-funded certain expenditures of its joint venture company, PHT, totalling A\$268,870, of which A\$134,435 (being 50% of the expenditures) is deemed to have been contributed by Cradle and has been recognised as a gain through profit or loss. The Company continues to own 50% of PHT.

### 8. Contributed Equity

	31 Dec 2019	30 June 2019
	\$	\$
<b>Issued capital</b>		
189,681,783 fully paid ordinary shares (30 June 2019: 189,681,783)	<b>31,245,828</b>	31,245,828

There was no movement in issued capital during the half year to 31 December 2018.

### 9. Reserves

	31 Dec 2019	30 June 2019
	\$	\$
<b>Foreign currency translation reserve</b>	<b>2,906,583</b>	2,887,952
<b>Consolidation reserve</b>	<b>10,921,281</b>	10,921,281
<b>Total reserves</b>	<b>13,827,864</b>	13,809,233

### 10. Contingent Assets and Liabilities

As previously advised, the Company and Tremont are in the preliminary stages of the dispute resolution mechanism prescribed by the Shareholders Agreement, regarding whether a definitive feasibility study has been delivered within the meaning of the Shareholders Agreement. The dispute has been referred to arbitration with a preliminary conference being set for June 2019. Cradle's position remains as set out previously. Subject to the outcome of the dispute, if the definitive feasibility study prepared by PHT is accepted as a definitive feasibility study within the meaning of the Shareholders Agreement the parties will then consider whether to proceed with construction of a mine to carry out mining activities on the Project ("Decision to Mine"). Any Decision to Mine on the Project will require Cradle to provide funding to PHT based on its pro-rata shareholding in PHT or dilute its interest in PHT based upon a value of such interest of US\$20 million plus contributions made by Cradle since October 2015, which is currently approximately US\$3.5 million.

## Notes to the Half Year Consolidated Financial Statements

### 11. Dividends Paid or Provided for on Ordinary Shares

No dividend has been paid or provided for during the half year (31 December 2018: Nil).

### 12. Events Subsequent to Balance Date

As at the date of this report there are no matters or circumstances which have arisen since 31 December 2019 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2019, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 31 December 2019, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 31 December 2019, of the Consolidated Entity.

### 13. Segment Information

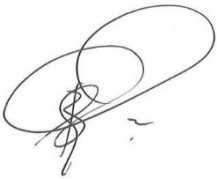
The Group operates in one segment, being mineral exploration. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Group.

**Directors' Declaration**

The Directors of the Company declare that:

1. The half year financial report and notes set out on pages 6 to 13 are in accordance with the Corporations Act 2001 including:
  - (a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half year ended on that date; and
  - (b) complying with Accounting Standard AASB 134 Interim Financial Reporting, and the Corporations Regulations 2001.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



**GRANT DAVEY**  
Executive Director

13 March 2020



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 review report to the members of Cradle Resources Limited

### Report on the half-year financial report

#### Conclusion

We have reviewed the accompanying half-year financial report of Cradle Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not 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 31 December 2019 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2019 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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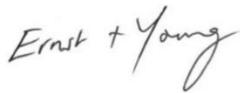





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## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Ernst & Young



T S Hammond  
Partner  
Perth  
13 March 2020

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