
CRADLE RESOURCES LIMITED

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NOTICE OF GENERAL MEETING

**The General Meeting of the Company will be held at
Emerald House, 1202 Hay Street, West Perth, Western Australia
on 30 July 2021 at 11.00 am (AWST)**

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors prior to voting.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 28 July 2021 at 5.00pm (AWST).

CRADLE RESOURCES LIMITED

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Important Information

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9200 3425.

Defined Terms

Capitalised terms in this Notice of Meeting and Explanatory Statement are defined either in Schedule 8 - Glossary or where the relevant term is first used.

Short Form Prospectus

Under applicable ASIC guidelines, the invitation to Shareholders to vote on Resolution 2 of the Notice of Meeting constitutes an "offer" to transfer the In-specie Distribution Shares to Shareholders pursuant to the In-specie Distribution under Chapter 6D of the Corporations Act and a prospectus is required unless an exemption applies or ASIC provides relief. As no exemptions apply and no relief was obtained, the Company has prepared a short form prospectus that contains information in relation to PHM (**Prospectus**).

The Prospectus accompanies this Notice of Meeting and was lodged with ASIC on 28 June 2021, being the same date as this Notice of Meeting. The Company recommends that all Shareholders read the Prospectus carefully and in conjunction with this Notice of Meeting. The Prospectus alone does not contain all the information that is generally required to satisfy the disclosure requirements of the Corporations Act. Rather, it incorporates all other necessary information by reference to information contained in this Notice of Meeting.

Purpose of this Document

The main purpose of this document is to explain the terms of the proposed In-specie Distribution, and the manner in which the In-specie Distribution will be implemented (if approved), and to provide such information as is prescribed or otherwise material to the decision of Shareholders whether or not to approve Resolution 2 to give effect to the In-specie Distribution.

This document includes a statement of all the information known to the Company that is material to Shareholders in deciding how to vote on Resolution 2, as required by section 256C(4) of the Corporations Act.

ASIC and ASX

A final copy of this Notice of Meeting and Explanatory Statement has been lodged with ASIC and ASX, together with a copy of the Prospectus that accompanies this Notice of Meeting. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this document.

Forward-Looking Statements

Some of the statements appearing in this document may be in the nature of forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and similar expressions are intended to identify forward-looking statements. Indications of guidance on future production, resources, reserves, sales, capital expenditure, earnings and financial position and performance are also forward-looking statements.

You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties many of which are outside the Company's control. Those risks and uncertainties include factors and risks specific to the Company and PHM such as (without limitation) the status of exploration and mining applications and licences and the risks associated with the non-grant or expiry of those applications and licences, liquidity risk, risks associated with the exploration or developmental stage of projects, funding risks, operational risks, changes to Government fiscal, monetary and regulatory policies, regulatory approvals, the impact of actions of Governments, the potential difficulties in enforcing agreements, protecting assets and increases in costs of transportation and shipping of international operations, alterations to resource estimates and exploration targets and the imprecise nature of resource and reserve statements, any circumstances adversely affecting areas in which the Company operates, fluctuations in the production, volume and price of commodities, any imposition of significant obligations under environmental regulations, fluctuations in exchange rates, the fluctuating industry and commodity cycles, the impact of inflation on operating and development costs, taxation, regulatory issues and changes in law and accounting policies, the adverse impact of wars, terrorism, political, economic or natural disasters, the impact of changes to interest rates, loss of key personnel and delays in obtaining or inability to obtain any necessary Government and regulatory approvals, the ability to service debt and to refinance debt to meet expenditure needs on any future acquisitions, increased competition, insurance and occupational health and safety. For more information on the risk factors facing PHM, please refer to Schedule 6.

Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement and such deviations are both normal and to be expected.

None of the Company, PHM nor any of their respective officers or any person named in this document or involved in the preparation of this document make any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, and you are cautioned not to place undue reliance on those statements.

The forward-looking statements in this document reflect views held only as at the date of this document.

No Financial Product Advice

This document does not constitute financial product or investment advice nor a recommendation in respect of the In-specie Distribution Shares. It has been prepared without taking into account the objectives, financial situation or needs of Shareholders or other persons. Before deciding how to vote or act Shareholders and other should consider the appropriateness of the information having regard to their own objective, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances.

Neither the Company nor PHM is licensed to provide financial product advice. No cooling-off regime applies in respect of the acquisition of the In-specie Distribution Shares under the In-specie Distribution (whether the regime is provided for by law or otherwise).

Key Dates*

Description	Date
General Meeting to approve the Demerger and In-specie Distribution	30 July 2021
ASX informed of Shareholder Approval	30 July 2021
Cradles transfer beneficial interest in PHT Shares to PHM (Demerger)	4 August 2021
Record Date	5 August 2021
In-specie Distribution to Shareholders of In-specie Distribution Shares	6 August 2021

*** These dates are indicative only and may change without notice at the discretion of the Directors, subject to the Corporations Act, ASX Listing Rules and other applicable laws.**

AGENDA

1. Resolution 1 – Authorise Disposal of Assets

To consider and, if thought fit, to pass with or without amendment, the following Resolution as an ordinary resolution:

"That, subject to Resolutions 2 and 3, in accordance with Listing Rule 11.2 and for all other purposes, Shareholders approve and authorise the Company to dispose of the Company's interests in the Assets pursuant to the Implementation Deed on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by:

- a) the acquirer of the Company's main undertaking or an associate of that person (or those persons); and
- b) any other person who will obtain a material benefit as a result of the disposal of the Company's main undertaking (except a benefit solely in their capacity as a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, the Company will not disregard a vote if it is cast in favour of this Resolution by:

- a) a person as proxy or attorney for a person who is entitled to vote on this Resolution in that way;
- b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. Resolution 2 – Approval for an Equal Reduction of Capital and In-specie Distribution

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

"That, subject to the passing of Resolutions 1 and 3, for the purposes of section 256B and section 256C(1) of the Corporations Act, and for all other purposes, approval is given for the Company to reduce the share capital of the Company by the Company making a pro-rata In-specie distribution of 152,748,622 PHM Shares to Eligible Shareholders on the basis of 1 PHM Share for every 1 Share held by Shareholders on the Record Date, with the consequence that each Shareholder on the Record Date shall be deemed to have consented to becoming a holder of PHM Shares and being bound by the PHM Constitution, on the terms and conditions set out in the Explanatory Memorandum".

3. Resolution 3 – Approval of New Constitution

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a special resolution:

"That, subject to the passing of Resolutions 1 and 2, for the purposes of section 136(2) of the Corporations Act and for all other purposes, the Constitution of Cradle be modified by making the amendment contained in the Explanatory Memorandum accompanying this Notice."

BY ORDER OF THE BOARD

Chris Bath

Company Secretary

Dated: 28 June 2021

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the General Meeting to be held at 1202 Hay Street, West Perth, Western Australia on 30 July 2021 at 11:00am (AWST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

Inter-Conditional Resolutions

Resolutions 1, 2 and 3 are inter-conditional. Consequently, if any of the Resolutions are not approved by Shareholders, the Demerger will not be completed.

For information relating to the Company's intentions if the Demerger does not proceed, refer to Section 1.6.

1. Overview of disposal of interest in the Assets and In-specie Distribution and Background to Resolutions 1 and 2

1.1 Background to the Demerger and In-specie Distribution

PHT, a joint venture between Cradle and Tremont, owns 100% of the Panda Hill Niobium Project in Tanzania (**Project**). Cradle owns a 36.7% interest in PHT. A diagram showing the current corporate structure of the Cradle group is set out in Schedule 4.

The Board is proposing to transfer Cradle's interest in the Project to PHM (**Demerger**), a wholly owned subsidiary of Cradle. Cradle will then distribute its 152,748,622 PHM Shares (**In-specie Distribution Shares**), effected by way of transfer of the beneficial interest to Eligible Shareholders on a pro-rata basis on the Record Date (**In-Specie Distribution**) and the transfer of the legal interest to PHM Nominees. The proposed Demerger and In-specie Distribution will give Shareholders 100% beneficial interest in the issued capital of PHM, which will own the beneficial interest in PHT.

Subject to Shareholder approval, to effect the Demerger and In-specie Distribution:

1. **Cradle Subscription:** Cradle will subscribe for 1,000,000 PHM Shares for \$200,000 (**Subscription Shares**), will be used by PHM to fund corporate overhead costs (refer to Section 3.7 for further details).
2. **Transfer of Project:** The transfer of the Project will occur in two stages. Cradle will transfer the beneficial interest in the PHT Shares to PHM and PHM will issue 151,648,622 PHM Shares to Cradle (**Consideration Shares**) pursuant to a share sale agreement. Cradle and PHM have entered into a trust arrangement in respect of the PHT Shares (refer to Schedule 7 for further details). Cradle will then transfer the legal interest in the PHT Shares once it receives transfer approval from the Tanzanian Fair Competition Commission.
3. **In-Specie Distribution:** Cradle will transfer its interest in the In-specie Distribution Shares, effected by way of transfer of the beneficial interest to Eligible Shareholders on a pro-rata basis on the Record Date and the transfer of the legal interest to PHM Nominees. PHM Nominees will hold the In-specie Distribution Shares on trust for Beneficiaries.

Refer to Schedule 7 for further details in relation to the material contracts will have been entered into to effect the Demerger and In-Specie Distribution.

A diagram showing the corporate structure following the Demerger and In-Specie Distribution is set out in Schedule 4.

The legal interest in the In-specie Distribution Shares will be held by PHM Nominees. PHM Nominees was incorporated by PHM in order for the In-specie Distribution Shares to practically and efficiently be held under a trust arrangement for the benefit of Shareholders (refer to Schedule 7 for further details). Persons who hold

In-specie Distribution Shares may request that PHM Nominees transfer their shares at any time in accordance with the trust arrangement.

Cradle is transferring its beneficial interest in the Project (i.e. the PHT Shares) to PHM, rather than the legal interest, as a transfer of the legal interest of the PHT Shares requires the approval of the Tanzanian Fair Competition Commission (**FCC Transfer Approval**). Upon FCC Transfer Approval, Cradle will transfer the legal interest in the PHT Shares to PHM.

To date, FCC Transfer Approval has not been received. If FCC Transfer Approval is not received, Cradle will hold the legal title in PHT Shares under a trust arrangement between Cradle and PHM, and PHM will hold the beneficial title to the PHT Shares (see Schedule 7 for further details). Pursuant to the Shareholders Agreement, Cradle has the ability to transfer beneficial title to PHM.

Resolution 1 seeks Shareholder approval to dispose of the Project (by way of the Demerger), which the Company's main undertaking.

Resolution 2 seeks Shareholder approval to distribute the In-specie Distribution Shares to Eligible Shareholders on a pro-rata basis, subject to the trust structure between PHM and PHM Nominees.

1.2 The Assets

Further information in respect of the Assets is set out in Part A of Schedule 1.

1.3 Panda Hill Mining Limited

PHM is 100% owned by Cradle and is in the process of converting to a public unlisted company.

Following completion of the Demerger, PHM will hold a 36.7% interest in PHT, subject to the trust structure between Cradle and PHM (with rights to a further 0.51% upon receipt of FCC Subscription Approval). Following FCC Transfer Approval, Cradle will transfer the legal ownership of the 36.7% interest to PHM. If FCC Transfer Approval is not received, Cradle will hold the legal title in PHT Shares under the trust arrangement between Cradle and PHM (see Schedule 7 for further details).

Given PHM will not be listed on the ASX, ongoing disclosure of information to shareholders of PHM will mostly be by shareholder updates communicated directly to shareholders and the disclosure of financial information in accordance with the Corporations Act.

1.4 Advantages and disadvantages of the Demerger

The Directors are of the view that the following non-exhaustive list of advantages and disadvantages may be relevant to a Shareholder's decision on how to vote on Resolutions 1 and 2:

Advantages

- (a) Shareholders will retain their current shareholding in Cradle and receive a proportional beneficial ownership in PHM with a book value of approximately 11.6 cents per Cradle Share held.
- (b) Cradle will be free to pursue new business opportunities which may achieve greater recognition on the ASX, without diluting Shareholders' interests in the Assets.
- (c) PHM will hold the interest in PHT (subject to the trust arrangement with Cradle), to monitor activities and track development progress and to otherwise minimise expenditures.

Disadvantages

- (a) PHM is an unlisted company and therefore there is no readily available market for shareholders to buy or sell PHM shares, consequently its shares are not easily sold.
- (b) Although PHM will provide regular shareholder updates, it will not be subject to the ASX Listing Rules.

- (c) There may be tax consequence in respect of the distribution of the In-specie Distribution Shares to Shareholders. Details of the general taxation effect of the Demerger are set out in Section 3.17.

1.5 Future of the Company following completion of the Demerger

The Company is actively pursuing other business opportunities which may achieve greater recognition on the ASX. Shareholders should be aware that following the Demerger, ASX may require the Company to seek Shareholder approval pursuant to Listing Rule 11.1.2 and/or re-comply with Chapters 1 and 2 of the Listing Rules pursuant to Listing Rule 11.1.3 with respect to any future transaction the Company may enter into.

Disposal by a listed entity of its main undertaking can also raise issues under Listing Rules 12.1 and 12.2, which oblige a listed entity to satisfy ASX on an ongoing basis that the level of its operations is sufficient, and its financial condition adequate, to warrant its continued listing and continued quotation of its securities.

ASX Guidance Note 12 states that the disposal by a listed entity of its main undertaking may be a precursor to the entity embarking on a new business venture, either immediately or once a suitable business has been identified and acquired. In the latter case, ASX will, in the absence of any other reason to suspend the quotation of the entity's securities, generally continue the quotation of its securities for up to six months to allow it time to identify, and make an announcement of its intention to acquire, a suitable new business.

Accordingly, if the Company is not able to make an announcement of its intention to acquire a new business or develop with remaining assets within the six month period following completion of the Demerger, the Company's securities may be suspended from trading. The Company will update Shareholders in relation to any such issues in due course.

Please refer to Section 3.11 for the proposed changes to the Board of PHM as a result of the Demerger.

1.6 Future of the Company if the Demerger is not approved

In the event Shareholders do not approve the Demerger, the Company will not transfer its interest in the PHT Shares to PHM and will:

- (a) continue to hold the interest in the Project and will continue to monitor activities, track development progress and to otherwise minimise expenditures; and
- (b) seek to acquire new projects which may achieve greater recognition on the ASX.

1.7 Future of PHM if the Demerger is approved

Following completion of the Demerger, ongoing activities of PHM will be to hold the interest in the PHT Shares, to monitor activities and track development progress and to otherwise minimise expenditures.

1.8 Directors' interests and Recommendations

The Directors do not have any material interest in the outcome of Resolutions 1 and 2, other than as a result of their interests arising solely in the capacity as security holders. The Directors' relevant interests in Securities are set out in Section 3.13 below.

After considering all relevant factors, the Directors unanimously recommend the Shareholders vote in favour of Resolutions 1 and 2 for the following reasons:

- (a) after a full and proper assessment of all available information they believe that the proposed transfer of the Assets is in the best interests of the Shareholders and the Company;
- (b) in the opinion of the Directors, the advantages of the Demerger outweigh its disadvantages as set out in Section 1.4; and
- (c) the Directors are satisfied that the Demerger is the best option available to realise the value of the Assets in the current circumstances and market conditions facing the Company.

2. Resolution 1 – Authorise disposal of Assets

As detailed in Section 1, the Company is proposing to dispose of its main undertaking, the Assets to Shareholders via the Demerger. Resolution 1 seeks Shareholder approval of the disposal of the Assets pursuant to Listing Rule 11.2.

Listing Rule 11.2 provides that a company may not dispose of its main undertaking (that is, its main asset or business) without the prior approval of its shareholders. The Assets currently represent the Company's main undertaking and accordingly disposal of the Assets requires approval by way of an ordinary resolution of the Shareholders.

If Resolution 1 is passed, the Company will be able to proceed with the Demerger. Refer to Section 1.5 for the implications for the Company if the Demerger is implemented.

If Resolution 1 is not passed, the Company will not be able to proceed with the Demerger. Refer to Section 1.6 for the implications for the Company if the Demerger is not implemented.

Refer to Section 1 for further information on the proposed disposal of the Assets via the Demerger.

Resolution 1 is an ordinary resolution.

The Directors recommendations are outlined in Section 1.8.

3. Resolution 2 – Approval of equal reduction in capital

3.1 General

As detailed in Section 1, the Company is proposing, subject to Shareholder approval, to demerge the PHT Shares to PHM in exchange for PHM issuing 152,748,622 PHM Shares to the Company. The Company currently holds 10,000 PHM Shares. There are no other PHM Shares on issue.

Subject to Shareholder approval, the beneficial interest in the In-specie Distribution Shares will be transferred to Eligible Shareholders and PHM Nominees will hold the legal interest in the In-specie Distribution Shares on trust for the Beneficiaries.

Pursuant to Resolution 2, the Company is seeking approval from Shareholders to distribute the 152,748,622 PHM Shares in-specie to Eligible Shareholders on a pro-rata basis (to be held by PHM Nominees). Based on the number of Shares currently on issue (being 152,748,622 Shares) each of the Eligible Shareholders will receive a beneficial interest in 1 PHM Share for every 1 Share held on the Record Date.

The proposed Demerger and In-specie Distribution will give Shareholders 100% beneficial interest in the issued capital of PHM, which via PHM will own a 37.2% beneficial interest in PHT (subject to FCC Subscription Approval).

Relevant general information in respect of the Demerger and In-specie Distribution is set out in Section 1. In addition, the following specific information is provided.

3.2 Timetable

The anticipated timetable for the capital reduction and in-specie distribution is set out below:

Despatch of Notice of General Meeting to approve disposal of the Assets and the capital reduction.	30 June 2021
General Meeting to approve disposal of the Assets and the capital reduction. Company notifies ASX that Shareholders have approved the Resolutions.	30 July 2021

Effective date for the capital reduction	2 August 2021
Ex date for the capital reduction – the date on which Shares commence trading without the entitlement to participate in the distribution.	3 August 2021
Cradles transfer beneficial interest in PHT Shares to PHM	4 August 2021
Record Date for capital reduction	5 August 2021
In-specie Distribution of the In-specie Distribution Shares to Shareholders	6 August 2021

The timetable above is indicative only and may be changed at the discretion of the Directors (subject to the Listing Rules) or as required by ASX.

3.3 PHM Shares not listed

PHM is an unlisted Australian public company. Accordingly, the In-specie Distribution Shares will not be listed on the ASX or any other securities exchange.

3.4 Requirements under section 256B and section 256C of the Corporations Act

The In-specie Distribution to Eligible Shareholders by way of capital reduction is an equal reduction of capital under the Corporations Act. Under section 256C(1) of the Corporations Act, an equal capital reduction must be approved by an ordinary resolution passed at a general meeting of the Company.

Section 256B of the Corporations Act provides that the Company may only reduce its share capital if the reduction:

- (a) is fair and reasonable to the Shareholders as a whole;
- (b) does not materially prejudice the Company's ability to pay its creditors; and
- (c) is approved by Shareholders under section 256C of the Corporations Act.

For the reasons set out in this Explanatory Memorandum, the Directors are of the view that the proposed capital reduction is fair and reasonable to Shareholders and that the reduction of capital will not prejudice the Company's ability to pay its creditors. This is because each Shareholder is treated equally and in the same manner since the terms of the reduction of capital are the same for each Shareholder. The In-specie Distribution is on a pro-rata basis and the proportionate ownership of each Cradle Share remains the same before and after the In-specie Distribution.

3.5 The effect of the proposed equal reduction of capital on the Company

If the Demerger is approved, the share capital and net assets of the Company will be reduced by approximately \$17.7 million.

A pro forma balance sheet of the Company as at 31 December 2020 is contained in Part A of Schedule 3 which shows the financial impact of the Demerger, including the capital reduction, on the Company (assuming that no further Shares are transferred).

3.6 The effect of the proposed equal reduction of capital on Shareholders

The In-specie Distribution Shares will be distributed to Eligible Shareholders on a pro-rata basis, subject to the trust structure between PHM and PHM Nominees. Eligible Shareholders will not be required to pay any additional consideration for the In-specie Distribution Shares. The terms of the capital reduction are the same for each Eligible Shareholder (subject to Section 3.10).

As at the date of this Notice of Meeting, the Company has 152,748,622 Shares on issue.

The Directors propose to distribute 152,758,622 PHM Shares to Eligible Shareholders on a pro-rata basis subject to the trust structure between PHM and PHM Nominees, so assuming that there are 152,748,622 Shares on issue on the Record Date, the ratio for distribution will be 1 PHM Share for every 1 Share held by Eligible Shareholders on the Record Date. A summary of the financial impact of the capital reduction is set out in Schedule 3.

The number of Shares held by Shareholders will not change and Shareholders will retain their current percentage shareholding interest in the Company, after the Demerger. However, if the Demerger is implemented, the value of the Shares will be less than the value of the Shares held prior to the Demerger because, after the Demerger, the Company will not retain an interest in PHT. The decrease in book value is approximately 11.7 cents per Cradle Share. The rights attaching to Shares will not be altered by the Demerger.

Given the capital reduction is equal and the Company will still have positive net assets following the Demerger, the Directors consider the capital reduction is fair and reasonable to Shareholders as a whole.

3.7 Funding of PHM

PHM will have adequate working capital to fund activities, meet compliance requirements and maintain the PHM Board for approximately 24 months. PHM may require a capital raising in the future to cover ongoing overheads or to participate in any development capital raising for PHT. The ongoing viability of PHM is dependent on the company raising additional funds from farm-out, sale of assets or sourcing capital from investors. However, the ability to raise funds may be affected by PHM being an unlisted company.

3.8 Capital Structure of the Company

Below is a table showing the Company's capital structure pre-Demerger and post-Demerger.

Cradle	No. of Shares
Balance at the date of this Notice	152,748,622
Balance following completion of the Demerger	152,748,622

3.9 Capital Structure of PHM

Below is a table showing PHM's capital structure pre-Demerger and post-Demerger.

PHM	No. of Shares
Balance at the date of this Notice	10,000
PHM Shares issued to Cradle pursuant to funding arrangement (Subscription Shares)	1,000,000
PHM Shares issued to Cradle as consideration for Cradle transferring the beneficial interest in PHT Shares to PHM (Consideration Shares)	151,648,622
Balance following completion of the Demerger	152,748,622

3.10 Overseas Shareholders

Distribution of the In-specie Distribution Shares to Overseas Shareholders will be subject to the legal and regulatory requirements in the relevant overseas jurisdiction. At the date of this Notice, the Company has 18 Overseas Shareholders and it will seek to resolve the jurisdictional implications with those Shareholders directly.

If the Company is unable to resolve the legal implications of the In-specie Distribution with the current Overseas Shareholders or determines that it unduly onerous or unduly impracticable to issue the In-specie Distribution Shares, the In-specie Distribution Shares to which the relevant Overseas Shareholders would otherwise be entitled will be sold by the Company on behalf of those Shareholders as soon as practicable after the Record Date. The Company will then account to the relevant Shareholders for the net proceeds of the sale after deducting the costs and expenses of the sale. The net proceeds of sale to be distributed to the relevant Overseas Shareholders may be more or less than the notional dollar value of the In-specie Distribution Shares.

3.11 Board of PHM

The PHM Board comprises the following directors:

Mr Craig Burton

Non-Executive Director

Mr Burton is a director of Cradle.

Mr Burton is an active investor in emerging companies, projects and businesses. He has a long track record in helping the development of resource projects and in providing financial backing and strategic advice to successful business teams and entrepreneurs.

Directorships held in other listed entities in the last three years:

- Cradle Resources Limited
- Grand Gulf Energy Limited
- Capital Drilling Limited

Mr David Riekie

Non-Executive Director

Mr Riekie has provided corporate, strategic and compliance services to organisations in the Resource and Industrial sector over the last 25 years.

He has overseen exploration and resource development, scoping and feasibility studies, production, optimisation, stakeholder engagement, acquisition/divestment programmes and expansion initiatives. He was recently interim CEO at Poseidon Nickel Limited.

Directorships held in other listed entities in the last three years:

- Poseidon Nickel Limited
- Zenith Energy Limited
- Paladin Energy Limited
- MetalsTech Limited

Mr Tim Wise

Non-Executive Director

Mr Wise is a corporate advisor with extensive experience in public companies and markets. He has founded several companies including Kalina Power Ltd and The Tap Doctor.

Directorships held in other listed entities in the last three years:

- Tamaska Oil and Gas Limited

3.12 Board of PHM Nominees

The PHM Nominees Board comprises the following directors:

Mr Craig Burton

Non-Executive Director

Mr Burton is a director of Cradle.

Mr Burton is an active investor in emerging companies, projects and businesses. He has a long track record in helping the development of resource projects and in providing financial backing and strategic advice to successful business teams and entrepreneurs.

Directorships held in other listed entities in the last three years:

- Cradle Resources Limited
- Grand Gulf Energy Limited

- Capital Drilling Limited

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Directorships held in other listed entities in the last three years:

- Poseidon Nickel Limited
- Zenith Energy Limited
- Paladin Energy Limited
- MetalsTech Limited

Mr Tim Wise

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Mr Wise is a corporate advisor with extensive experience in public companies and markets. He has founded several companies including Kalina Power Ltd and The Tap Doctor.

Directorships held in other listed entities in the last three years:

- Tamaska Oil and Gas Limited

3.13 Directors' interests

(a) Directors' interests

Set out in the table below are details of Directors' relevant interests in the Securities of the Company at the date of this Notice and the PHM Shares that they are likely to receive if Resolution 2 is passed:

Director	Cradle Shares	PHM Shares
Craig Burton	30,800,000	30,800,000
Grant Davey	1,066,276	1,066,276
Chris Bath	Nil	Nil

(b) PHM Directors' interests

Set out in the table below are details of PHM Directors' relevant interests in the Securities of the Company at the date of this Notice and the PHM Shares that they are likely to receive if Resolution 2 is passed:

Director	Cradle Shares	PHM Shares
Craig Burton	30,800,000	30,800,000
David Riekie	Nil	Nil
Tim Wise	Nil	Nil

3.14 Directors' remuneration

(a) Company Remuneration

In accordance with the Constitution, the Company may pay to the Non-Executive Directors a maximum total amount of Directors fees, determined by the Company in a meeting of Members, or until so determined, as the Directors resolve.

Directors have received the following remuneration for the preceding two financial years:

Directors	Year	Salary & Fees \$	Share Based Payments \$	Total \$
Craig Burton	2020	\$59,812	-	\$59,812
	2019	\$50,000	-	\$50,000
Grant Davey	2020	\$120,000	-	\$120,000
	2019	\$120,000	-	\$120,000
Chris Bath	2020	\$29,348	-	\$29,348
	2019	-	-	-

(b) Remuneration Post Demerger

It is proposed that, following completion of the Demerger, the Directors and PHM Directors will receive the following fees:

Directors	Cradle \$	PHM \$	PHM Nominees \$	Total \$
Craig Burton	50,000	10,000	-	60,000
Grant Davey	120,000	-	-	120,000
Chris Bath	30,000	-	-	30,000
David Riekie	-	10,000	-	10,000
Tim Wise	-	10,000	-	10,000
Totals	200,000	30,000	-	230,000

No Director of PHM or PHM Nominees has received any remuneration for services to PHM to date.

In accordance with the PHM Constitution, the Shareholders have approved an aggregate amount of up to \$60,000 per annum to be paid as non-executive directors fees.

3.15 Rights attaching to In-specie Distribution Shares

Refer to Schedule 5 for a summary of the rights attaching to the In-specie Distribution Shares.

3.16 Risk factors

On completion of the Demerger and In-specie Distribution, the Shareholders will hold a beneficial interest in PHM in proportion to their existing Shares held on the Record Date and should be aware of the general and specific risks that may affect PHM and the value of its securities. These risk factors are outlined in Schedule 6.

3.17 Tax consequences

Under demerger relief, the distribution of the In-specie Distribution Shares should not be a taxable dividend for income tax purposes, and any capital gain or loss from the Demerger should be disregarded, provided the Shareholder elects for this capital gains tax (CGT) relief to apply.

Under demerger relief, a Shareholder's cost base and reduced cost base of their Cradle Shares before the Demerger should be apportioned across their Cradle Shares and PHM after the Demerger on a reasonable basis and the In-specie Distribution Shares will be treated as being acquired at the same time as the Shareholder's Cradle Shares for the purposes of the CGT discount.

Shareholders should consult their own professional advisors to confirm these implications as they may vary depending on individual circumstances and taxation positions.

3.18 Lodgement with ASIC

The Company has lodged with the ASIC a copy of this Notice of Meeting and the Explanatory Memorandum in accordance with section 256C(5) of the Corporations Act. The Company has also lodged with ASIC a copy of

the Prospectus that accompanies this Notice of Meeting at the same time the Notice of Meeting was lodged with ASIC.

ASIC and its officers take no responsibility for the contents of this Notice or the merits of the transaction to which this Notice relates.

3.19 Disclosure to the ASX and ASIC

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules of ASX.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

3.20 Other Material Information

There is no information material to the making of a decision by Shareholders whether or not to approve the Resolutions (being information that is known to any of the Directors and which has not been previously disclosed to Shareholders) other than as disclosed in this Notice of Meeting and the Explanatory Memorandum, the accompanying Prospectus and information the Company has previously disclosed to Shareholders.

3.21 Other Legal Requirements

Under ASIC Regulatory Guide 188, an invitation to Shareholders to vote on Resolution 2 for the In-specie Distribution of the In-specie Distribution Shares to Shareholders constitutes an “offer” of securities under Chapter 6D of the Corporations Act and a prospectus is required unless an exemption applies. As no exemption applies, the Company has prepared a short form prospectus that contains information in relation to PHM (**Prospectus**).

The Prospectus accompanies this Notice of Meeting and has been lodged with ASIC at the same time as this Notice of Meeting. The Company recommends that all Shareholders read the Prospectus carefully and in conjunction with this Notice of Meeting. The Prospectus also allows Shareholders to sell their In-specie Distribution Shares within the first 12 months after receiving them.

3.22 Directors recommendation

The Directors recommendations are outlined in Section 1.8.

4. Resolution 3 – Approval to amend Constitution

4.1 General

Resolution 3 seeks Shareholder approval for the modification of the Constitution in accordance with section 136 of the Corporations Act.

A copy of the modified Constitution is available on request from the Company Secretary.

The modified Constitution will be effective from the close of the Meeting.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Resolution 3 is conditional on Shareholders approving Resolutions 1 and 2. This means that in order to implement the change to the Constitution, Shareholders need to approve Resolutions 1 and 2.

4.2 Proposed Amendment

The Constitution of Cradle is proposed to be amended by deleting Article 2.5(c)(ii) and inserting a new Article 2.5(c)(ii):

"(ii) each Member appoints the Company and each Director as its agent to:

(A) register a transfer in the name of a Member or a person who will hold those shares or other securities on trust for the benefit of a Member;

(B) execute an instrument of transfer or other document required to give effect to the transfer those shares or other securities to that Member or another body corporate;

(C) transfer the beneficial interest in those shares or other securities to each Member or another body corporate;

(D) execute an agreement on behalf of the Member to give effect to the transfer of the beneficial interest in those shares or other securities to that Member or another body corporate"

4.3 Reasons for Proposed Amendment

The Constitution currently contains an express consent such that if a distribution of a reduction of the share capital of the Company includes a distribution of shares or other securities, each Shareholder is deemed to become of that body corporate and for Cradle to be its agent in the execution of any documents in connection with the distribution of shares or other securities.

However, the Constitution does not provide for various circumstances which may require Cradle to undertake certain actions on behalf of another entity in respect of the PHM Shares.

Approval is being sought from Shareholders for the new Article 2.5(c)(ii) of the Constitution such that where Cradle reduces its share capital by way of a distribution of shares or other securities in another body corporate (as it is doing under the In-specie Distribution), Shareholders will appoint Cradle to undertake certain actions on behalf of another entity (including PHM and PHM Nominees) in connection to the distribution of shares or other securities.

No other changes are being made to the Constitution.

4.4 Directors recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

Schedule 1 – The Assets

Part A: Assets to be disposed

PHT, a company incorporated in Mauritius, is a joint venture between Cradle and Tremont.

Cradle and Tremont reached agreement in 2020 on a pathway forward for the Panda Hill Niobium Project in Tanzania (**Project**) which resulted in Cradle transferring 19.5% of Cradle's interest in PHT to Tremont, reducing Cradle's interest in PHT from 50% to 36.7%. As part of this transaction and subject to approval from the FCC (**FCC Transfer Approval**), Cradle will transfer the 19,086,345 fully paid ordinary shares it holds in PHT to its wholly owned subsidiary, PHM.

To date, FCC Transfer Approval has not been received. If FCC Transfer Approval is not received, Cradle will hold the legal title in PHT Shares under a trust arrangement between Cradle and PHM, and PHM will hold the beneficial title to the PHT Shares (see Schedule 7 for further details).

Cradle currently owns 36.7% and Tremont owns 63.3%. However, PHT is subject to the legislation imposed by Tanzania, which entitles the Tanzanian Government 16% shareholding in all Tanzanian mining companies, referred to as "free carry". Following completion of the Demerger, PHM will hold a 36.7% interest in PHT, subject to the trust structure between Cradle and PHM.

For completeness, pursuant to the agreement between Cradle and Tremont, PHT will issue PHM 490,219 fully paid ordinary shares in PHT (**Further PHT Shares**), subject to FCC approval (**FCC Subscription Approval**). If FCC Subscription Approval is not received, PHT will not issue the Further PHT Shares to PHM. I

In addition, the new legislation allows the Tanzanian Government to negotiate all existing Mine Development Agreements. PHT does not have an agreement with the Tanzanian Government. It currently holds three standard mining licences, which do not require these agreements.

The PHT Board comprises 1 Cradle representative and two Tremont representatives.

The Project is located in the Mbeya region in south western Tanzania, approximately 680km west of the capital Dar es Salaam (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.

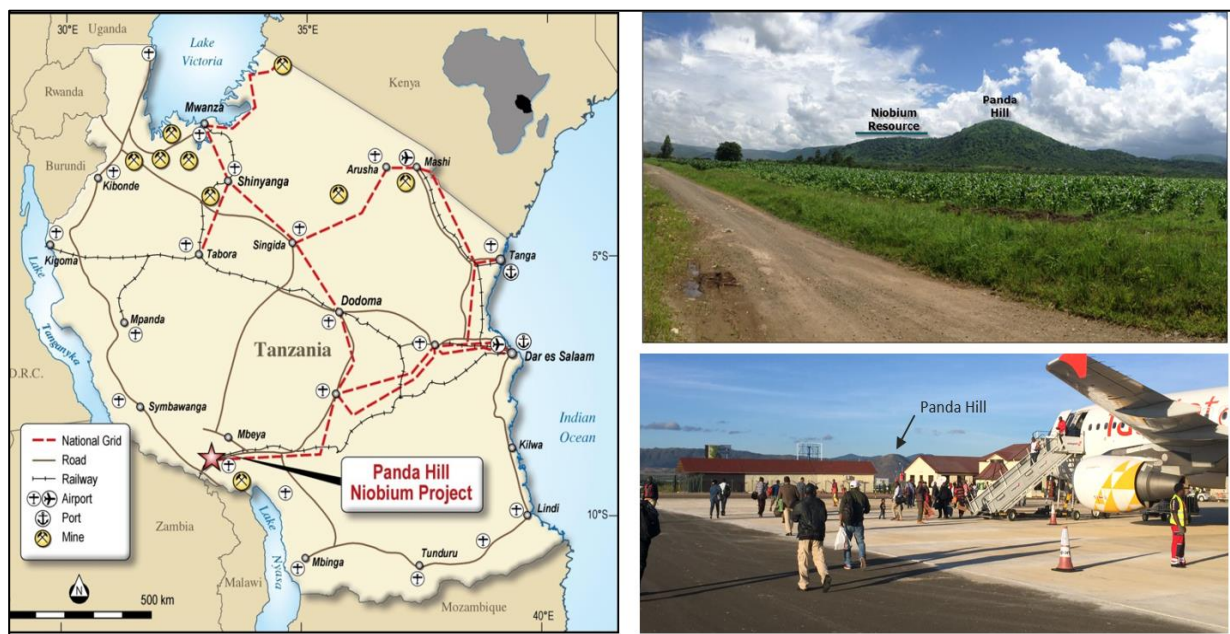


Figure 1: Location of the Panda Hill Niobium Project

The Project is covered by three granted Mining Licences (Figure 2) totalling 22.1km², which will enable a quicker 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 Licences were all renewed during the December 2015 quarter for a further 10-year period (valid until November 2026).

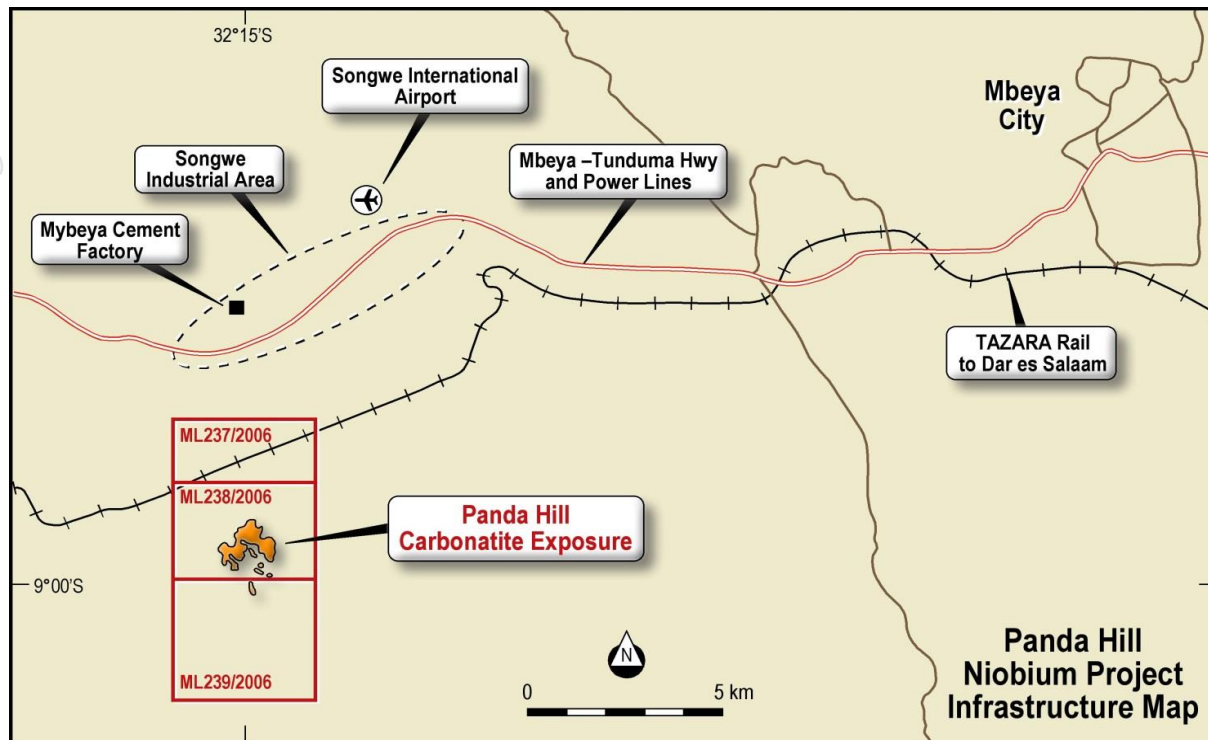


Figure 2: Mining Licences and Local Infrastructure

The Project has a current Mineral Resource estimate of 178 Mt at 0.50% Nb₂O₅ for 891 kt of contained Nb₂O₅, which was reported at a cut-off grade of 0.50% Nb₂O₅ (Refer to ASX announcement "Substantial Increase in Panda Hill Resource" dated 30 April 2015 for further information).

The information in this Notice relating to the Project's Mineral Resource estimate is extracted from the ASX announcement entitled "Substantial Increase in Panda Hill Resource" dated 30 April 2015. Cradle 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 the Mineral Resource estimate, confirms that all material assumptions and technical parameters underpinning the estimates in the market announcement continue to apply and have not have materially changed.

While a Feasibility Study was previously completed at the Project and an Ore Reserve declared, the Project is not supported by an Ore Reserve estimate at the date of this notice of meeting. The Ore Reserve estimate was withdrawn by Cradle due to the uncertainty as a result of ongoing litigation with Tremont and the Tanzanian Government's moratorium on licensing and approvals.

PHT Shareholders Agreement

Tremont, PHT and Cradle / PHM have entered into a new shareholders agreement with respect to the ownership, control and management of PHT going forward. Under the new shareholders agreement:

- Tremont will fund all financial requirements of PHT and the Panda Hill Project until the development costs of the Panda Hill Project are raised;
- A development capital raising may only be funded by PHT by a combination of bank debt and the issue of new ordinary shares at US\$1.00 minimum or such greater price as third parties participate;
- Upon all development costs of the Panda Hill Project being raised, Tremont will purchase from PHM 10 million PHT shares at the average subscription price per PHT share under the equity component of the development capital raising (or at least US\$1.00 per PHT share) and Cradle / PHM has the option to participate in the development capital raising for up to 5 million PHT shares;
- The balance of Cradle's / PHM's interest in PHT shares will follow PHT into production with tag along and drag along rights against a sale of Tremont's PHT shares;

- Tremont will assume Board control of PHT with Cradle / PHM having the right to appoint a director and general minority shareholder protection rights.

Profile of Tremont Investments Limited

Tremont is wholly owned by Tremont Master Holdings Ltd (“Tremont Holdings”), a private entity incorporated in Mauritius. Tremont was incorporated as a special purpose vehicle for holding securities in PHT.

Tremont Holdings invests in African mining assets across all stages of the mining project life cycle. Tremont Holdings has been making a number of investments in Ivory Coast, Tanzania, Democratic Republic of Congo, Gabon and South Africa since 2011.

Denham Capital Management LP (“Denham Capital”) is a global energy and resources private equity firm. Denham Capital invests in three energy and resources sub sectors – oil and gas, mining and international power. Three of these funds indirectly hold the majority of the shares in Tremont Holdings.

Industry Overview – Niobium

Niobium additions in steel significantly increases strength, so less steel is required overall, which can reduce cost substantially. This has been the basis for the development and growth in its use over the last few decades and should remain the driver in the years to come.

Approximately 90% of all niobium is consumed as ferroniobium used in steelmaking. Besides ferroniobium, niobium is consumed in a wide range of smaller-volume but higher-value applications, such as high-performance alloys (which include superalloys), carbides, superconductors, electronic components, and functional ceramics.

Almost all ferroniobium supply is from three industrialised producers, two in Brazil and one in Canada. By far the largest is Companhia Brasileira de Metalurgia e Mineração (CBMM), which operates a pyrochlore mine and processing plant near Araxá in east-central Minas Gerais state in Brazil. While historically the company has operated comfortably below operational capacity, recent increases in demand translated into rising operating rates and prompted a 50% expansion, to be commissioned in Q1 2021. The other major producers, Magris Resources in Canada and China Molybdenum in Brazil are thought to be operating at close to capacity.

Niobium steels are used on pipelines, transportation (cars) and structural applications (bridges and buildings). According to the World Steel Association, \$9 of niobium used in car manufacturing will reduce the mass by 100kg, and introduce a 5% fuel efficiency; 300grams used in a mid-sized car reduces the weight by 200kg (CBMM). The addition of 0.02% (200g) Nb to a tonne of steel can increase its strength by up to 30%.

According to the Roskill Niobium Outlook to 2030, demand for ferroniobium has increased steadily over the past couple of years, driven by higher high-strength-low-alloy (HSLA) steel demand, primarily in China. On top of growing demand, a spike in vanadium prices due to China implementing new rebar standards in 2018 caused steel mills to substitute vanadium with niobium for rebar alloying. As a result, niobium has captured some additional market share in the process, although more recently, falling vanadium prices drove China’s most price-sensitive steel mills to revert to vanadium. The utilisation of both niobium and vanadium is poised to keep increasing in coming years, driven by higher steel production, regulations implying a higher micro-alloying content, and the economics of steel making.

PHT Historical Financial Information

Figures in US Dollars	31-Dec-20 Audited	31-Dec-19 Audited
Assets		
Cash and cash equivalents	30,378	17,757
Other receivables	16,316	48,773
Total Current Assets	46,694	66,530
Exploration and evaluation	35,522,240	35,148,909
Total Non Current Assets	35,522,240	35,148,909
Total Assets	35,568,934	35,215,439
Liabilities		
Trade and other payables	84,124	4,686,910
Total Current Liabilities	84,124	4,686,910
Total Liabilities	84,124	4,686,910
Net Assets	35,484,810	30,528,529
Equity		
Contributed equity	37,128,043	32,146,449
Accumulated losses	(1,643,233)	(1,617,920)
Total Equity	35,484,810	30,528,529

Notes:

1. PHT has a financial year ending 31 December.
2. The above financial position relates to 100% of PHT, extracted from PHT's financial statements for the year ended 31 December 2020.
3. Cradle records 36.7% of the net assets as its interest in associates at carrying value, which is measured using the equity method of accounting.
4. Exploration and evaluation costs relate to capitalised expenses with respect to the Panda Hill Niobium Project.

Part B: Assets that will be retained by Cradle post demerger

The Demerger will have the effect of reducing the Company's assets and equity by \$17.7 million.

To illustrate the effect of the return of capital on the financial position of the Company, the Pro Forma Statement of Financial Position (unaudited) set out in Schedule 3 has been based on the Company's unaudited financial statements at 31 December 2020 adjusted to reflect the Demerger.

Schedule 2 – Summary of Leases

Assets Licences

Project	Tenement Number	Percentage Interest
Panda Hill Niobium, Tanzania	ML237/2006	100%
Panda Hill Niobium, Tanzania	ML238/2006	100%
Panda Hill Niobium, Tanzania	ML239/2006	100%

Schedule 3 – Financial Information

PART A: Financial Information of Cradle

If the Resolutions are approved, the Demerger will have the effect of reducing the Company's share capital and net assets by approximately \$17.7 million. To illustrate the effect of the return of capital on the financial position of the Company, the Pro Forma Statement of Financial Position (unaudited) set out below has been based on the Company's unaudited financial statements at 31 December 2020 adjusted to reflect the Demerger.

Cradle Resources Limited	31-Dec-20	Invest PHM	Capital reduction	Pro forma
	\$		\$	\$
ASSETS				
Current Assets				
Cash and cash equivalents	743,594	(200,000)		543,594
Trade and other receivables	26,644			26,644
Total Current Assets	770,237	(200,000)		570,237
Non-current Assets				
Interest in PHM		200,000		200,000
Interest in associates	17,623,679		(17,623,679)	-
Trade and other receivables	102,856		(102,856)	-
Total Non-Current Assets	17,726,535	200,000	(17,726,535)	200,000
TOTAL ASSETS	18,496,772	-		770,237
LIABILITIES				
Current Liabilities				
Trade and other payables	68,132			68,132
Total Current Liabilities	68,132			68,132
TOTAL LIABILITIES	68,132			68,132
NET ASSETS	18,428,640			702,105
EQUITY				
Contributed equity	28,660,507		(17,726,535)	10,933,972
Reserves	11,712,986			11,712,986
Accumulated losses	(21,944,853)			(21,944,853)
TOTAL EQUITY	18,428,641			702,105

Basis of Preparation

The above pro forma statement of financial position has been prepared in accordance with the draft ASIC Guide to Disclosing Pro Forma Financial Information (issued July 2005) and to provide Shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

The pro forma statement is based on Statement of Financial Position included in the 31 December 2020 half year financial report which is reviewed by the Company's auditors and has then been adjusted to reflect the following material transactions.

Pro-forma adjustments

Completion of the Demerger and In-specie Distribution will result in 152,748,622 PHM Shares being transferred pro-rata to Shareholders of the Company. The return of capital to Shareholders under the equal capital reduction which will have the effect of reducing the Company's assets and issued capital by \$17.7 million.

PART B: Financial Information of PHM

PHM is a company whose assets, subject to completion of the Demerger, will be 36.7% of the PHT Shares, a receivable of \$102,856 and cash of \$200,000.

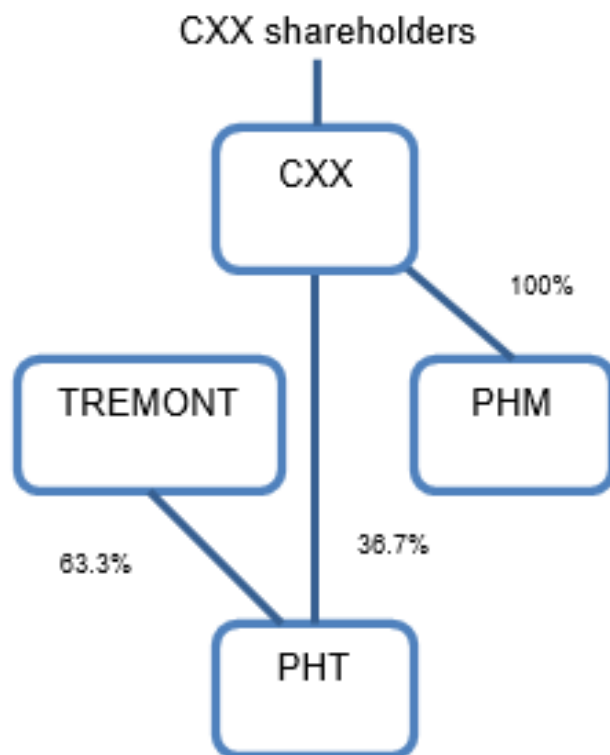
The unaudited consolidated statement of financial position at 31 December 2020 for PHM is set out below assuming the Demerger is completed.

PHM – Statement of Financial Position

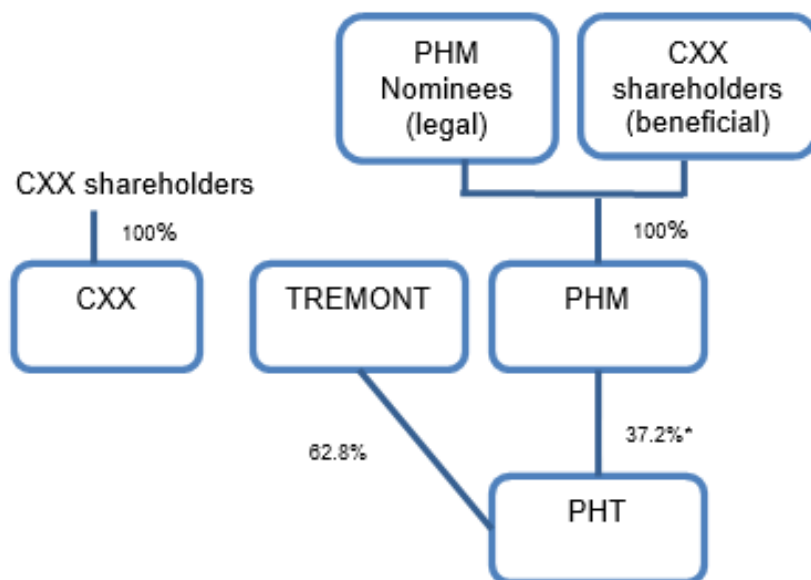
Panda Hill Mining Limited	31-Dec-20	Share issue	In specie	Pro forma
	\$		\$	\$
ASSETS				
Current Assets				
Cash and cash equivalents	-	200,000		200,000
Trade and other receivables	-			-
Total Current Assets	-			200,000
Non-current Assets				
Interest in associates	-		17,623,679	17,623,679
Trade and other receivables	-		102,856	102,856
Total Non-Current Assets	-			17,726,535
TOTAL ASSETS	-			17,926,535
LIABILITIES				
Current Liabilities				
Trade and other payables	-			-
Total Current Liabilities	-			-
TOTAL LIABILITIES	-			-
NET ASSETS	-			17,926,535
EQUITY				
Contributed equity	100	200,000	17,726,535	17,926,635
Reserves	-			-
Accumulated losses	(100)			(100)
TOTAL EQUITY	-			17,926,535

Schedule 4 - Corporate Structure – Pre and Post Demerger

Pre-Demerger Structure



Post-Demerger



*Until FCC Transfer Approval is received, PHM will hold a 36.7% beneficial interest in PHT (with rights to a further 0.51% upon receipt of FCC Subscription Approval), subject to the trust structure between Cradle and PHM.

Schedule 5 – Summary of PHM Constitution

The In-specie Distribution Shares will not be quoted on ASX and consequently shareholders will not be able to be traded on ASX. Once the shares are registered in the name of the shareholder as a result of the Prospectus being issued by the Company, they may sell or transfer those shares if they can find a buyer.

A copy of the Constitution is available on request by contacting the Company.

Summary of PHM Constitution

The following is a summary of the more significant rights and liabilities attaching to PHM Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders of PHM. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to PHM Shares are set out in PHM's constitution, a copy of which is available to view at PHM's registered office.

In summary, the PHM Constitution includes provisions to the following effect:

- (a) **Shares**

The issue of PHM Shares by PHM is under the control of the PHM Directors, subject to the Corporations Act and any rights attached to any special class of PHM Shares.
- (b) **Preference Shares**

The Corporations Act requires certain rights of preference shares to be either set out in the PHM Constitution or approved in general meeting by special resolution before preference shares are issued.

The PHM Constitution sets out a framework of rights for preference share issues from which the PHM Board can determine to issue preference shares, without the need to obtain further PHM Shareholder approval every time an allotment of preference shares is proposed.
- (c) **Liens**

If PHM issues partly paid PHM Shares and a call made on those shares is unpaid, PHM will have a lien over the shares on which the call is unpaid. The lien may be enforced by a sale of those shares.
- (d) **Transfer of Shares**

The PHM Constitution sets out of the requirements for an instrument of transfer of PHM Shares. The PHM Directors cannot refuse to register a transfer of shares unless permitted or required under the Corporations Act.

A person who is the registered holder of a PHM Share may unilaterally transfer that PHM Share to a person who is the beneficial holder of that PHM Share and, except in limited circumstances, PHM must not refuse or fail to register the transfer of PHM Shares.
- (g) **Alterations of share capital**

Shares may be converted or cancelled with PHM Shareholder approval and PHM's share capital may be reduced in accordance with the requirements of the Corporations Act.
- (h) **Buy Backs**

Subject to the Corporations Act, PHM may buy back shares in itself on terms and at such times determined by the PHM Directors.
- (i) **Disposal of less than a Small Holding**

For the sake of avoiding excessive administration costs, the PHM Constitution contains provisions enabling PHM to procure the buy-back of PHM Shares where the PHM Shareholder holds less than a small holding of PHM Shares (being a holding of 150,000 PHM Shares or less). To invoke this procedure, the PHM Directors must first give notice to the relevant PHM Shareholder holding less than a small holding of PHM Shares, who may then elect not to have its PHM Shares sold by notifying the PHM Directors.

(j) **Variation of class rights**

Class rights attaching to a particular class of shares may be varied or cancelled with the consent in writing of holders of 75% of the shares in that class or by a special resolution of the holders of shares in that class.

(k) **Meetings of Shareholders**

PHM Directors may call a meeting of PHM Shareholders whenever they think fit. PHM Shareholders may call a meeting as provided by the Corporations Act. All PHM Shareholders are entitled to a notice of meeting. A meeting of PHM Shareholders may be held in two or more places linked together by technology that gives PHM Shareholders as a whole a reasonable opportunity to participate in proceedings. A quorum for a meeting of PHM Shareholders is 2 eligible voters.

PHM will hold annual general meetings in accordance with the Corporations Act.

(l) **Voting of Shareholders**

Resolutions of PHM Shareholders will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. On a poll each eligible PHM Shareholder has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

(m) **Proxies**

An eligible PHM Shareholder may appoint a proxy to attend and vote at the meeting on the PHM Shareholder's behalf. A PHM Shareholder may appoint an individual or corporation to act as its representative.

(n) **Directors**

Unless changed by PHM in general meeting, the minimum number of directors is 3 and there is no maximum number of directors. The existing directors and PHM may appoint a new PHM Director to fill a casual vacancy or as an addition to the PHM Board.

(o) **Powers of Directors**

The business of PHM is to be managed by or under the direction of the PHM Directors.

(p) **Remuneration of Directors**

The remuneration of executive and non-executive PHM Directors will be subject to the provisions of any contract between each of them and PHM. PHM may pay additional remuneration or provide benefits to a PHM Director who performs extra or special services. PHM will pay all reasonable travelling, accommodation and other expenses properly incurred in connection with the business of PHM.

(q) **Dividends**

The PHM Directors may fix the amount, the time for payment and the method of payment of a dividend. Subject to any special rights attaching to shares (such as preference shares), dividends will be paid proportionately. PHM is not required to pay any interest on dividends.

(r) **Indemnities and insurance**

To the extent permitted by law, PHM indemnifies every person who is or has been a Director or Secretary of PHM against a liability incurred by that person in his or her capacity as a Director or Secretary. A similar indemnity is provided in respect of legal proceedings. PHM may also pay the premiums on directors' and officers' liability insurance.

Schedule 6 - Risk Factors

The business and assets of PHM will be subject to certain risk factors that have the potential to influence its operating and financial performance in the future. These risks can impact on the value of an investment in its securities and include:

1.1 Specific risks related to PHM and PHT

(a) Funding PHM

PHM will have adequate working capital to fund activities, meet compliance requirements and maintain the PHM Board for approximately 24 months. PHM may require a capital raising in the future to cover ongoing overheads or to participate in any development capital raising for PHT. The ongoing viability of PHM is dependent on the company raising additional funds from farm-out, sale of assets or investors. However, the ability to raise funds may be affected by PHM being an unlisted company.

(b) Liquidity

PHM is an unlisted public company. Accordingly, the PHM Shares will not be listed on the ASX or any other securities exchange. As a result, there is a liquidity risk as there may be a limited market for PHM Shares and holders of PHM Shares will need to arrange private sales of PHM Shares.

In addition, the limited liquidity of the PHM Shares may affect PHM's ability to raise funds.

(c) Dilution

In the event of a development capital raise, PHM's interest in PHT will be further diluted.

If the Project faces further significant delays in moving towards development, PHM's interest in PHT will be further diluted as new shares are issued to Tremont to fund working capital.

(d) Climate Risk

There are a number of climate-related factors that may affect the operations and proposed activities of PHM. The climate change risks particularly attributable to PHM include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. PHM may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact PHM and its profitability. While PHM will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that PHM will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by PHM, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which PHM operates.

(e) Sovereign Risk

The Project will be subject to the risks associated with operating in a foreign country. These risks include ability to obtain key approvals on a timely basis, economic, social or political instability or change, changes of law affecting foreign ownership, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection and labour relations.

Any future material adverse changes in government policies or legislation in foreign jurisdictions in which PHM may have projects is outside the control of PHM. Such changes may affect the foreign ownership, exploration,

development or activities of companies involved in mining exploration and production and in turn may affect the viability and profitability of PHM.

(f) **COVID-19**

The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of PHM remains unknown. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact PHM's operations and are likely to be beyond the control of PHM.

The COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and may cause delays or cost increases. The effects of COVID - 19 on PHM's Share price and global financial markets generally may also affect PHM's ability to raise equity or require PHM to issue capital at a discount, which may in turn cause dilution to Shareholders.

(g) **Community Risks**

PHT's activities in Tanzania may draw the negative attention of local communities. There is a risk that the reaction of local communities may have an adverse impact on the Panda Hill Niobium Project ability to operate in Tanzania.

1.2 Industry specific risks

(a) **Resource Exploration and Development Risk**

The Project's mining licences are at various stages of development and Shareholders should understand that mineral exploration and development are speculative and high-risk undertakings that may be impeded by circumstances and factors beyond the control of PHM. Success in this process involves, among other things:

- (i) access to adequate capital throughout the project development phases;
- (ii) maintaining title to mining licenses;
- (iii) obtaining required development consents and approvals necessary for the development and production phases; and
- (iv) accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

The future activities of PHM may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of PHM.

(b) **Mine Development**

Possible future development of mining operations at the Project is dependent on a number of factors including, but not limited to, the delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

Future production may be disrupted by a variety of risks and hazards which are beyond the control of PHM. No assurance can be given that PHM will achieve commercial viability through the development of the Assets.

The risks associated with the development of a mine will be considered in full should the Assets reach that stage and will be managed with ongoing consideration of stakeholder interests.

(c) **Commodity price volatility and exchange rate risk**

If the Project achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of PHM to commodity prices and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of PHM. Such factors include supply and demand for minerals, technological advancements, forward selling activities and other macro-economic factors. Furthermore, prices of various commodities and services may be denominated in United States dollars or other foreign currencies, whereas the income and expenditure of PHM are and will be taken into account in Australian currency, exposing PHM to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(d) **Other incidents beyond the control of PHM**

The Assets of PHM may be disrupted by a variety of risks and hazards which are beyond the control of PHM, including geological conditions, environmental hazards, technical and equipment failures and extended interruptions due to inclement or hazardous weather or other physical conditions, unavailability of drilling equipment, unexpected shortages of key personnel, labour, consumables or parts and equipment, fire, explosions and other incidents beyond the control of PHM.

(e) **Regulatory**

Mining operations are subject to extensive regulations, including environmental, health and safety and other regulations, as well as the need to manage relationships with local communities.

The Project' exploration activities are subject to extensive laws and regulations, which include laws and regulations governing, among other things exploration, development, production, exports, taxes, labour standards, mining royalties, price controls, waste disposal, protection and remediation of the environment, reclamation, historic and cultural resource preservation, mine safety and occupational health, handling, storage and transportation of hazardous substances and other matters.

The costs of discovering, evaluating, planning, designing, developing, constructing, operating, closing and rehabilitating mines and other facilities in compliance with such laws and regulations are significant. It is possible that the costs and commonly experienced delays associated with the Project's ability to comply with such laws and regulations could become such that the Project may elect not to proceed with its planned activities, including exploration and development in Tanzania.

As part of its normal course of development activities, the Project may be required to expend significant resources, both financial and managerial, to comply with governmental and environmental regulations and permitting requirements and will continue to do so in the future. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder, and claims for damages to property and persons resulting from the Project's operations, could result in additional substantial costs and liabilities, restrictions on or suspension of the Project's activities and delays in the exploration of and development of its assets.

The Project may be required to obtain governmental permits to develop its reserves and for expansion or advanced exploration activities at its properties. Obtaining the necessary governmental permits is a complex and time-consuming process involving numerous agencies and other interested parties. There can be no certainty that these approvals will be granted to the Project in a timely manner, or at all. The duration and success of each permitting effort are contingent upon many variables not within PHM's control. The issue of governmental approvals, licenses and permits are subject to the discretion of the applicable governments or governmental officials, and any exercise of such discretion will typically take into account other parties' interests or rights.

In the context of environmental protection permitting, including the approval of reclamation plans, the Project must comply with known standards, existing laws and regulations that may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the interpretation of the laws and regulations implemented by the permitting authority. No assurance can be given that the Project will be successful in obtaining or maintaining any or all of the various approvals, licenses and permits required to operate its businesses in full force and effect or without modification or revocation. The failure to obtain or

renew certain permits, or the imposition of extensive conditions upon certain permits, could have a material adverse effect on PHM's operations and financial condition.

As a consequence of public concern about the perceived ill effects of mining and land development, particularly in less developed countries, mining projects face increasing public scrutiny. Criticism of PHM's activities or negative publicity, whether accurate or not, could result in damage to PHM's reputation which could have a material and adverse effect on PHM.

In addition, PHM may become subject to other regulations which could increase its regulatory and compliance obligations. Any new regulatory restrictions or changes in government attitudes or policies in relation to any or all of the existing regulatory areas may adversely impact on the financial performance and position, and future prospects of PHM.

(f) **Infrastructure**

Mining, processing, development, and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which materially affect capital and operating costs. Lack or inadequacy of such infrastructure, unusual or infrequent weather phenomena, sabotage, terrorism, government, or other interference in the maintenance or provision of such infrastructure could materially adversely affect PHM's financial condition and results of operations.

(g) **Anti-corruption laws**

PHM and certain of its subsidiaries conduct business in countries where there is government corruption. PHM is committed to doing business in accordance with all applicable laws and its codes of conduct. Nevertheless, there is a risk that PHM, its subsidiaries or affiliated entities or their respective officers, directors, employees or agents may act in violation of applicable codes and laws, which may include the Criminal Code Act 1995 (Cth), Canadian Corruption of Foreign Public Officials Act of 1998, the UK Bribery Act 2010, the U.S. Foreign Corrupt Practices Act (1977) and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Any such violations could result in substantial civil and criminal penalties and might materially adversely affect PHM's business and results of operations or financial condition.

1.3 General Risks

Factors such as inflation, interest rates, levels of tax, taxation law and accounting practices, government legislation or intervention, natural disasters, social upheaval and war may have an impact on prices, operating costs and market conditions generally. Accordingly, PHM's future possible revenue and operations can be affected by these factors, which are beyond the control of PHM.

General movements in commodity prices and economic conditions could all affect the value of the Assets held and implied value of PHM Shares.

(a) **Economic Factors**

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs and commodity prices. PHM's future possible revenue and share price can be affected by these factors, which are beyond the control of PHM and its directors.

(b) **Government Policy Changes**

Government policies are subject to review and changes from time to time. Such changes are likely to be beyond the control of PHM and may affect industry profitability.

The list of risk factors ought not to be taken as exhaustive of the risks faced by PHM or by investors in PHM. Those factors, and others not specifically referred to, may in the future materially affect the financial performance of PHM and the value of the PHM Shares. The PHM Shares carry no guarantee with respect to the payment of dividends, return of capital or their market value.

Schedule 7 – Material Contracts

1.1 Implementation Deed

On 28 June 2021, Cradle, PHM and PHM Nominees entered into an implementation deed (**Implementation Deed**). The material terms of the Implementation Deed are:

- (a) **(Condition):** Completion is subject to and will not proceed unless Cradle obtains all necessary approvals required by the Corporations Act, the Listing Rules and its Constitution to give effect to the Demerger and In-specie Distribution.
- (b) **(Implementation Steps):** Cradle, PHM and PHM Nominees have agreed to undertake the following actions to implement the Demerger and In-specie Distribution.
- As soon as reasonably practicable following the date of the implementation deed:
 - a. (Change of Company Type) Cradle must seek ASIC approval for the conversion of PHM from a private company to a public company;
 - b. (Declaration of Trust - PHT Shares) Cradle and PHM must execute the Declaration of Trust - PHT Shares pursuant to which Cradle acknowledges that it holds the legal title in the PHT Shares as trustee for PHM;
 - c. (Declaration of Trust - PHM Shares) PHM and PHM Nominees must execute the Declaration of Trust - PHM Shares pursuant to which PHM Nominees acknowledges that it holds the legal title in the In-Specie Distribution Shares as trustee for the Beneficiaries;
 - d. (Share Sale Agreement) Cradle and PHM must enter into the Share Sale Agreement; and
 - e. (Prepare Notice of Meeting) Cradle must prepare a notice of meeting to seek Cradle Shareholder approval for the Demerger and In-specie Distribution; and
 - f. (Approvals) Cradle must seek all other approvals required to satisfy the Condition.
 - (Convene Meeting) No later than one month from the date of the implementation deed, Cradle must convene a general meeting and dispatch the notice of meeting to Cradle Shareholders.
 - (General Meeting) No later than two months from the date of the implementation deed, Cradle must hold a general meeting for Cradle Shareholders to approve the Demerger and In-specie Distribution and amend its Constitution.
 - On the Initial Completion Date:
 - a. (Subscription Shares) Cradle and PHM must perform their obligations under clause 4.1 of the Implementation Deed.
 - b. (Completion of Share Sale Agreement) Cradle and PHM must complete under the Share Sale Agreement.
 - (In-specie Distribution Shares) On the Completion Date, Cradle and PHM Nominees must perform their obligations under clause 4.2 of the Implementation Deed.
- (c) **(Initial Completion):** On the Initial Completion Date:
- Cradle must:
 - a. subscribe for and accept the issue of the Subscription Shares; and

- b. pay to PHM, or procure the payment to PHM of the Subscription Price;
- PHM must:
 - a. issue or procure the issue of the Subscription Shares to Cradle; and
 - b. provide evidence satisfactory to Cradle of the issue of the Subscription Shares.
- (d) **(Completion):** On the Completion Date:
 - Cradle must:
 - a. deliver or cause to be delivered to PHM Nominees:
 - 1. an instrument of transfer in registerable form in favour of PHM Nominees which has been duly been executed by Cradle in relation to the In-Specie Distribution Shares; and
 - 2. the original share certificates for the In-Specie Distribution Shares or, if such certificate has not been issued or has been lost, a certificate from Cradle to that effect in a form satisfactory to PHM Nominees; and
 - b. transfer a proportional interest in the In-Specie Distribution Shares to each Eligible Shareholder;
 - PHM Nominees must hold the In-Specie Distribution Shares on trust for the benefit of the Beneficiaries in accordance with the Declaration of Trust – PHM Shares.
- (e) **(Termination):** The Implementation Deed will automatically terminate if the Condition is not satisfied by 28 December 2021 or the parties agree to terminate the Implementation Deed at any time by written agreement.
- (f) **(Acknowledgement):** Cradle, PHM and PHM Nominees acknowledge that the Implementation Deed is subject to the Shareholders Agreement.

1.2 Share Sale Agreement

On 28 June 2021, Cradle and PHM entered into a share sale agreement (**Share Sale Agreement**). The material terms of the Share Sale Agreement are:

- (a) **(Sale and Purchase):** Cradle agrees to sell and PHM agrees to purchase the beneficial interest in the PHT Shares, free from all encumbrances.
- (b) **(Consideration):** The consideration to be paid by PHM to Cradle for the beneficial interest in the PHT Shares is the issue of 151,648,622 fully paid ordinary shares in PHM to Cradle (**Consideration Shares**).
- (c) **(Conditions):** Completion is conditional upon Cradle Shareholders approving the Demerger and In-specie Distribution. If the Condition is not satisfied on or before 5:00pm on 30 September 2021 or such other date as mutually agreed, the agreement will terminate.
- (d) **(Completion):** On the Completion Date:
 - Cradle must:
 - a. subscribe for and accept the issue of the Consideration Shares;
 - b. transfer the beneficial interest in the PHT Shares to PHM; and
 - c. hold the PHT Shares on trust for the benefit of PHM in accordance with the Declaration of Trust – PHT Shares

- PHM must:
 - a. issue or procure the issue of the Consideration Shares to Cradle; and
 - b. provide evidence satisfactory to Cradle of the issue of the Consideration Shares.

(e) **(Transfer of Legal Title):**

- Within two Business Days of receipt of FCC Transfer Approval, Cradle must transfer the legal interest in the PHT Shares to PHM and execute all documents required to do so.
- Cradle appoints PHM and all of its directors and officers (jointly and severally) as its attorney and agent for the purpose of transferring the legal interest in the PHT Shares to PHM.

1.3 Declaration of Trust – PHT Shares

On 28 June 2021, Cradle and PHM entered into a Declaration of Trust (**Declaration of Trust – PHT Shares**). The material terms of the Declaration of Trust – PHT Shares are:

(f) **(Declaration of Trust):** On and from the Initial Completion Date, Cradle acknowledges that it holds the legal title in the PHT Shares as trustee for PHM.

(g) **(Obligations of the Trustee):**

- Subject to the terms of the Shareholders Agreement, Cradle must at the request of PHM (i) transfer the PHT Shares to PHM or otherwise deal with the PHT Shares as PHM directs; (ii) sign any transfers or forms transferring the PHT Shares from Cradle as trustee to PHM and (iii) do all things and execute all documents in respect of the PHT Shares as instructed by PHM.
- Cradle agrees that it will not encumber the PHT Shares.
- Cradle must seek to obtain FCC Transfer Approval as soon as practicable after the Initial Completion Date.
- The declaration of trust does not entitle Cradle to beneficial ownership of the PHT Shares or deprive PHM of the rights of beneficial ownership (including the right of possession) of the PHT Shares.

(h) **(Beneficiary's Instructions):** Subject to the terms of the Shareholders Agreement,

- Cradle must exercise any voting rights or other rights in respect of the PHT Shares (including under the Shareholders Agreement) as directed by PHM. Cradle will not exercise any voting rights unless instructed by PHM;
- Cradle must only accept any instruction or direction from PHM in writing (either personally or from any person on behalf of or with the authority of PHM); and
- Cradle will not incur liability or be responsible by reason of Cradle acting on or carrying out any such instruction or direction.

(i) **(Power of attorney):** On and from the Initial Completion Date, Cradle appoints PHM and all of its directors and officers (jointly and severally) as its attorney and agent, without the need for any further act, for the purposes of:

- exercising all of its rights in respect of the PHT Shares in the name of Cradle (including under the Shareholders Agreement and constituent documents of PHT) until such time as those rights are legally transferred to, conferred upon and exercisable by PHM in PHM's name; and
- doing all things and executing any agreements, instruments, transfers or other documents as contemplated by the declaration of trust or the FCC Transfer Approval.

- (j) **(Indemnity):** Cradle indemnifies PHM against any loss suffered as a result of any actions or claims arising out of Cradle not acting on instructions or directions from PHM.

1.4 Declaration of Trust – PHM Shares

On 28 June 2021, PHM and PHM Nominees entered into a Declaration of Trust (**Declaration of Trust – PHM Shares**). The material terms of the Declaration of Trust – PHM Shares are:

- (a) **(Declaration of Trust):** On and from the Completion Date, PHM Nominees acknowledges that it holds the legal title to the In-specie Distribution Shares as trustee for the Beneficiaries.
- (b) **(Obligations of the Trustee):**
- Subject to the terms of the Shareholders Agreement, PHM Nominees must at the request of a Beneficiary (i) transfer the Beneficiary's proportional interest in the In-specie Distribution Shares to the Beneficiary or otherwise deal with the Beneficiary's' proportional interest in the In-specie Distribution Shares as the Beneficiary directs and (ii) sign any transfers or forms transferring the Beneficiary's proportional interest in the In-specie Distribution Shares from PHM Nominees as trustee for the Beneficiaries.
 - The declaration of trust does not entitle PHM Nominees to beneficial ownership of the In-specie Distribution Shares or deprive the Beneficiaries of the rights of beneficial ownership (including the right of possession) of their proportional interest in the In-specie Distribution Shares.
- (c) **(Beneficiary's Instructions):** Subject to the terms of the Shareholders Agreement,
- PHM Nominees must exercise any voting rights or other rights as directed by a Beneficiary. PHM Nominees will not exercise any voting rights unless instructed by a Beneficiary;
 - PHM Nominees must only accept any instruction or direction from a Beneficiary in writing (either personally or from any person on behalf of or with the authority of the Beneficiary); and
 - PHM Nominees will not incur liability or be responsible by reason of PHM Nominees acting on or carrying out any such instruction or direction.
- (d) **(Transfers of Beneficial Interests)** A Beneficiary may transfer its proportional interest in the In-specie Distribution Shares at any time by providing PHM Nominees with a signed transfer form in a form acceptable to PHM Nominees.
- (e) **(Deed Poll):** Each Beneficiary may rely on and enforce the declaration of trust and irrevocably appoints PHM and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce the declaration of trust against PHM Nominees.

Schedule 8 - Glossary

In this Explanatory Memorandum, the Notice of Meeting and Proxy Form:

\$ or A\$ means Australian Dollars.

Assets means the assets described in Part A of Schedule 1.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

AWST means Australian Western Standard Time.

Beneficiary means each person who holds a beneficial interest in In-Specie Distribution Shares, from time to time.

Business Day means a day on which banks are open for business in Perth, Western Australia, excluding a Saturday, Sunday or public holiday.

Chair means Chairperson of the Meeting.

Company or **Cradle** means Cradle Resources Limited (ACN 149 637 016).

Completion Date means five Business Days after the Condition has been satisfied or such other date as the parties agree in writing.

Consideration Shares has the meaning given in Section 1.1.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Declaration of Trust – PHT Shares has the meaning given in Schedule 7.

Declaration of Trust – PHM Shares has the meaning given in Schedule 7.

Demerger has the meaning given in Section 1.1.

Directors mean the directors of the Company.

Eligible Shareholder means:

- (d) a person registered as the holder of Shares on the Share Register with a registered address in Australia on the Record Date; or
- (e) an Overseas Shareholder who resides in a jurisdiction in which the Company has determined that it is lawful and not unduly onerous or unduly impracticable to issue that Shareholder with the In-specie Distribution Shares.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice.

FCC means the Tanzanian Fair Competition Commission.

FCC Subscription Approval has the meaning given in Schedule 1.

FCC Transfer Approval has the meaning given in Section 1.1.

Further PHT Shares has the meaning given in Schedule 1.

Implementation Deed has the meaning given in Schedule 7.

In-specie Distribution has the meaning given in Section 1.1.

In-specie Distribution Shares means 152,748,622 PHM Shares, being 100% of the issued capital of PHM on the Completion Date.

Initial Completion Date means three Business Days after the Condition has been satisfied or such other date as the parties agree in writing.

Listing Rules means the official listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice of Meeting or **Notice** means this notice of meeting including the Explanatory Memorandum and the Proxy Form.

Overseas Shareholder means a person registered as the holder of Shares on the Share Register with a registered address outside of Australia on the Record Date.

PHM means Panda Hill Mining Limited (ACN 160 217 069).

PHM Board means the board of directors of PHM.

PHM Constitution means the constitution of PHM.

PHM Directors means the directors of PHM.

PHM Nominees means Panda Hill Mining Nominees Pty Ltd (ACN 650 972 606).

PHM Share means a fully paid ordinary share in the capital of PHM.

PHM Shareholders means a holder of a PHM Share.

PHT means Panda Hill Tanzania Ltd (Company Number 122978 (C1/GBL)).

PHT Shares means 19,086,345 fully paid ordinary shares in PHT.

Project means the Panda Hill Niobium Project located in the Mbeya region in Tanzania.

Prospectus has the meaning given in Section 3.21.

Proxy Form means the proxy form attached to this Notice.

Record Date means the record date for the In-specie Distribution as set out in the timetable in Section 3.2.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Security means a Share or Option.

Share or Cradle Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shareholders Agreement means the shareholders agreement undated between Tremont, PHT and PHM.

Share Register means the register of Shareholders maintained in accordance with the Corporations Act.

Share Sale Agreement has the meaning given in Schedule 7.

Subscription Price means an aggregate of \$200,000, being \$0.20 per PHM Share.

Subscription Shares has the meaning given in Section 1.1.

Tremont means Tremont Investments Limited.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Cradle Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Cradle Resources Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **11:00am (AWST) on Friday, 30 July 2021 at Emerald House, 1202 Hay Street, West Perth, Western Australia** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

For Against Abstain*

1 Authorise Disposal of Assets

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

2 Approval for an Equal Reduction of Capital and In-Specie Distribution

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Approval of New Constitution

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

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HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (AWST) on Wednesday, 28 July 2021**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Cradle Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)



COMMUNICATIONS PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**