

ASX / MEDIA ANNOUNCEMENT

23rd January 2012

ENTITLEMENTS OFFER SHORTFALL NOTICE

On 19 December 2011, Cradle Resources Limited (**Cradle** or the **Company**) announced a non-renounceable pro-rata entitlements offer on the basis of 1 listed option (**Listed Option**) for every 2 shares held at 5pm (WST) on 30 December 2011 (**Record Date**) at an issue price of \$0.01 each (**Entitlements Offer**). The exercise price of the Listed Options is \$0.20 with an expiry date of the third anniversary of the date of issue.

The Entitlements Offer was available to all Cradle shareholders registered on the Record Date whose registered address is in Australian or New Zealand (**Eligible Shareholders**).

The Entitlements Offer closed on 19 January 2012 (**Closing Date**). Subscription results are as follows:

Listed Options offered under the Entitlements Offer	13,750,000
Listed Options subscribed for under the Entitlements Offer	11,376,927
Listed Options not applied for (Shortfall Listed Options)	2,373,073

Pursuant to the Prospectus sent to Eligible Shareholders on 4 January 2012, the Cradle directors reserve the right, subject to any restrictions imposed by the Corporations Act and the Listing Rules, to issue the Shortfall Options at their sole discretion. Any Shortfall placement must be completed within three months of the Closing Date at a price not less than that of this Entitlements Offer.

The Listed Options will be allotted and holding statements dispatched on 24 January 2012 in accordance with the Prospectus.

For further information please contact:

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