

4 September 2013

ASX Release

ASX Code: CXX

INITIAL ASSAYS CONFIRM SIGNIFICANT MINERALISATION AT PANDA HILL

Highlights

- Significant intercepts encountered, including 116m at 0.76% Nb₂O₅ and 67m at 0.54% Nb₂O₅
- Assay results dramatically increase extent of known mineralisation
- Additional near surface, higher grade material also identified

Cradle Resources Limited (ASX: CXX) (Cradle or Company) is pleased to announce that assay results have been received and validated from the first three holes drilled at the Panda Hill Niobium Project. The drilling was designed to confirm the grade and geology indicated by the historical drilling which made up the 2012 resource, and to obtain representative metallurgical samples which are being sent to SGS Lakefield in Canada for testwork.

The significant intersections are summarised in Table 1 and a more detailed summary is shown in Table 2. The main section drilled (with holes PHDH001 and PHDH007) is shown in Figure 2.

**Table 1 - Panda Hill Niobium Project
Significant Intercepts as of 4 September 2013**

Hole ID	From (m)	To (m)	Length (m)	Nb ₂ O ₅ (%)
PHDH001	0	10.7	10.7	0.52
	12.8	32.0	19.2	0.67
	41.6	158.0	116.4	0.76
	172.7	180.0	7.3	0.62
PHDH005	5.4	10.3	4.9	1.15
	24.7	39.5	14.8	0.43
	49.6	57.6	8.0	0.56
PHDH007	9.9	77.0	67.1	0.54
	95.5	101.4	5.9	0.41
	156.7	170.9	14.2	0.47

Note: The major intercepts have been tabulated above a nominal 0.35% Nb₂O₅ lower cutoff and less than 4m internal dilution

Grant Davey, the Managing Director of Cradle, commented “We are excited by the first batch of assay results – they indicate that the historical grade results can be met and in some cases improved on, and that we are encountering deeper trends of mineralisation than was identified by the previous drilling. The one intercept of 116m at 0.76% Nb₂O₅ is significant and increases the previous niobium resource in this area. At current gold and copper prices this is equivalent to 116m at 4.5g/t Au or 3% Cu¹ and is located near surface”.

¹ Au and Cu equivalent grades have been based upon spot prices of US\$1,390/Oz and US\$7,200/t respectively – these grades are shown to illustrate Nb₂O₅ grade data relative to more traditional commodities only and are not meant to indicate the presence of Au or Cu credits. No recovery factors have been applied.

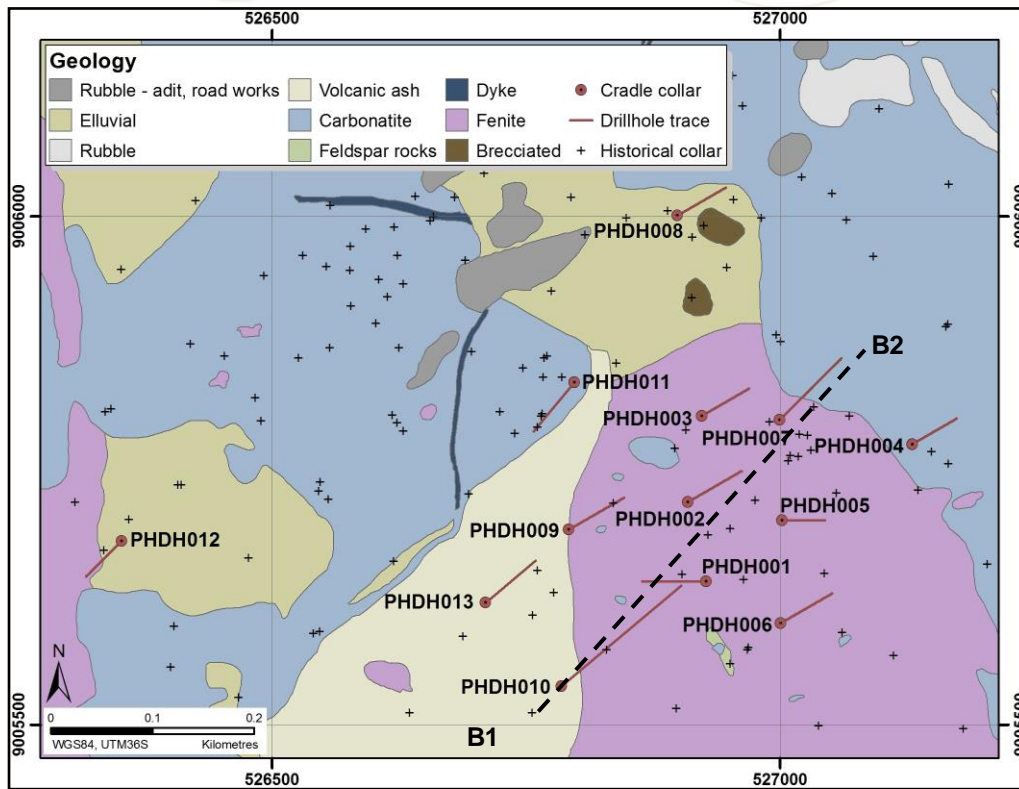


Figure 1: Local Geology of Panda Hill showing approximate boundary of 2012 Inferred Resources and the location of the final 2013 drill holes (blue).

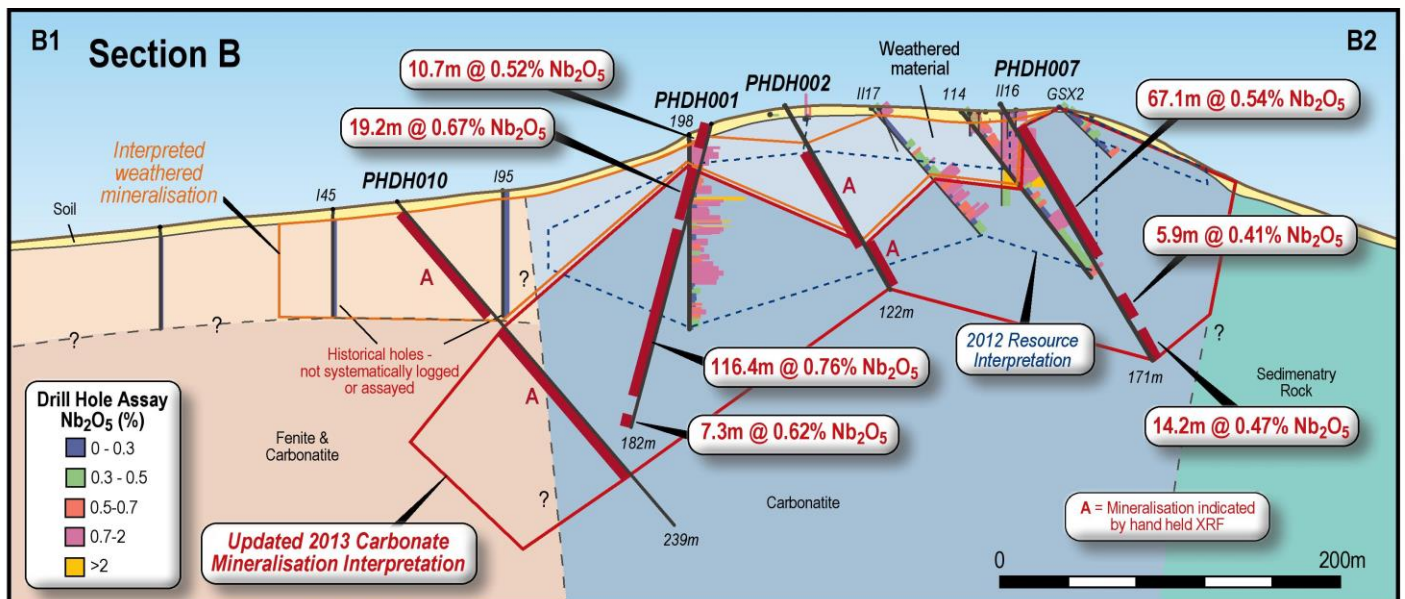


Figure 2: Oblique section B with current drill holes (black lines) showing received laboratory Nb₂O₅ grades and mineralisation indicated by handheld XRF data. The 2012 resource boundary is shown as the blue dashed line, the interpreted 2013 mineralisation is shown in the solid red and orange lines. (Note: the handheld XRF data is considered indicative of mineralisation only).

