

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 Proiect											
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% Cu¹and 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.



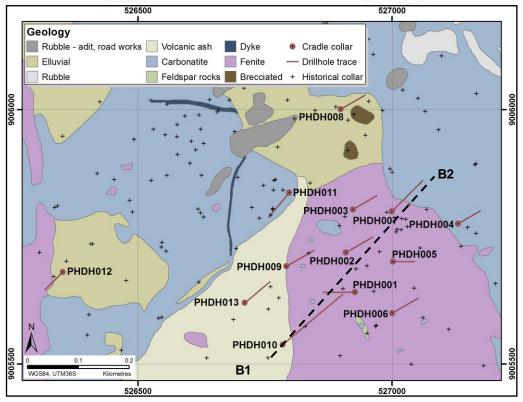


Figure 1: Local Geology of Panda Hill showing approximate boundary of 2012 Inferred Resources and the location of the final 2013 drill holes (blue).

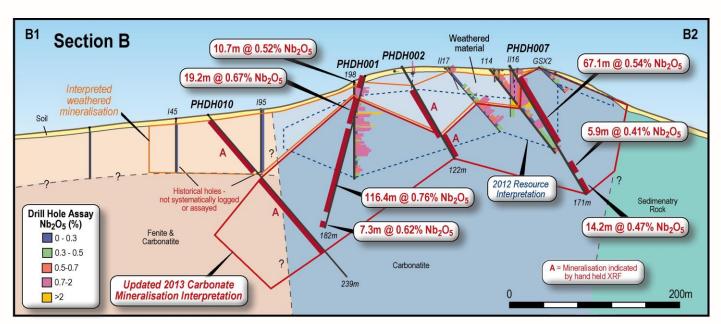


Figure 2: Oblique section B with current drill holes (black lines) showing received laboratory Nb2O5 grades and mineral isation indicated by handheld XRF data. The 2012 resource boundary is shown as the blue dashed line, the interpreted 2013 mineralisation is shown in the solid red and orange lines.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



The niobium mineralisation was encountered within both carbonatite and weathered lithologies. Additionally a magnetite-rich carbonatite unit of up to 7m true thickness and 200m vertical extent has been identified in Holes PHDH001 and PHDH010. This unit has an average grade of 0.7% Nb2O5 (from 76.3 to 106.6m in Hole PHDH001). The lateral extent of this unit is unknown but will be a priority target for the next phase of exploration.

The niobium analysis has been undertaken by SGS Johannesburg using the XRF Borate fusion process. Cradle inserts blanks and certified niobium standards at a rate of 1:20 samples each. The QAQC data for the project has been review by Cradle's Competent Person (Mr Neil Inwood) and is considered appropriate for release.

Table 2 - Panda Hill Niobium Proiect Detailed Significant Intercepts as of 4 September 2013												
PHDH001	526,927	9,005,641	1,540	182.8	-70	270 including	0 0	10.7 2	10.7 2	0.52 0.96		
						including	12.8 12.8 41.6	32 19.3 158	19.2 6.5 116.4	0.67 1.22 0.76		
						including including	51.2 76.3	69.6 110	18.4 33.7	1.24 0.7		
						including including	118 142.8	127 156.25	9 13.45	0.89 1.06		
PHDH005	527,002	9,005,701	1,553	84.3	-60	90	172.7 5.4 24.7 49.6	180 10.3 39.5 57.6	7.3 4.9 14.8 8	0.62 1.15 0.43 0.56		
PHDH007	527,000	9,005,800	1,555	170.9	-60	45 including including	9.9 11.9 36.4 95.5	77 23.7 52.4 101.4	67.1 11.8 16 5.9	0.54 0.62 0.69 0.41		
Note:	The major in	ntercents have	heen tahu	lated abov	ve a nor	ainal 0 35% Nh3	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

By order of the Board

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Competent Person's Statement

The information in this document that relates to Exploration Results is based on information compiled or reviewed by Mr Neil Inwood who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscient ists. Mr Inwood is a full time employee of Verona. Mr Inwood has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Inwood consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.