

23 September 2013

ASX Release

ASX Code: CXX, CXXO

**CRADLE STRIKES HIGH GRADE MINERALISATION EXTENSION
103M AT 0.76% Nb₂O₅ IN MAIDEN PROGRAM AT PANDA HILL**
Equivalent to 103m at 4.5/t gold or 3% copper - confirms potential for a world class orebody

Highlights

- **Results from holes PHDH002 and PHDH003 confirm high-grade niobium mineralisation at Panda Hill:**
 - PHDH002 - **60m at 0.81% Nb₂O₅** (equivalent to 5g/t gold or 3.1% copper)¹
 - PHDH003 – **103m at 0.76% Nb₂O₅** (equivalent to 4.5g/t gold or 3.0% copper)¹
 - (PHDH001 – intersected 116m at 0.76% Nb₂O₅ 160m to the south of hole PHDH003)²
- **Results dramatically increase known mineralisation and extend the current known resource boundaries**
- **Results of remaining 8 holes will be released to market as received**

Cradle Resources Limited (ASX: CXX, CXXO) is pleased to announce that the second batch of assay results have been received and validated from the next 2 holes of a 13 hole drill program at Cradle's Panda Hill Niobium Project, Tanzania (see Fig. 1.4). The drill program was designed to confirm the grade and geology from historical drilling which defined the current 56Mt at 0.5% Nb₂O₅ inferred JORC resource and to obtain representative metallurgical samples for testing.

The drill holes intersected multiple zones of niobium mineralisation with intercepts wider than those used to define the existing resource (see Fig. 2.3).

Significant intercepts from these 2 holes include³:

- 60m at 0.81% Nb₂O₅ (PHDH002) including:
 - 12m @ 1.03% Nb₂O₅ and;
 - 5m @ 1.2% Nb₂O₅
 - 14m @ 0.93% Nb₂O₅
- 103.2m at 0.76% Nb₂O₅ (PHDH003) including:
 - 21m @ 1.18% Nb₂O₅ and;
 - 15m at 1.4% Nb₂O₅

Further details of the significant intersections are summarised in Table 1.

¹ Au and Cu equivalent grades have been based upon spot prices of US\$1,390/oz and US\$7,200/t respectively and a Nb metal price of \$40/kg– 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.

² Results for hole PHDH001 were announced in the release of 4 September 2013.

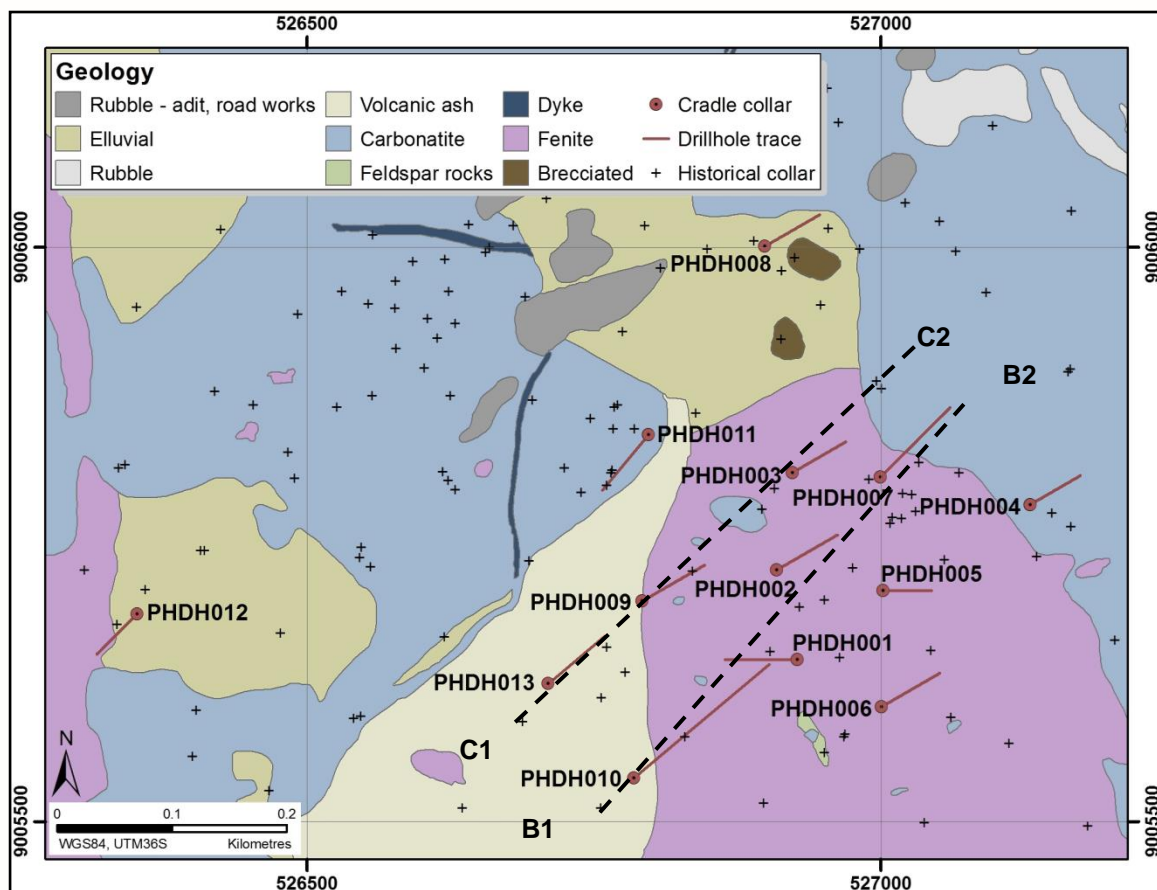
³Intercepts rounded to the nearest metre.

The niobium mineralisation was encountered within both carbonatite and weathered lithologies. The magnetite-rich carbonatite unit first seen in Hole PHDH001 was also encountered in several areas of holes PHDH002 and PHDH003. This style of primary mineralisation has intercepts of up to 2.4% Nb₂O₅. 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 adheres to industry best-practice in conducting QAQC procedures by inserting blanks and certified niobium standards at a rate of 1:20 samples. The QAQC data for the Project has been reviewed by Cradle's Competent Person, Mr Neil Inwood.

Representative metallurgical samples have been sent to SGS Lakefield in Canada with testwork results expected to be released to market during October and November 2013.

Grant Davey, the Managing Director of Cradle, commented *"The second batch drilling results confirms what we were seeing from the first holes. We are seeing thicker zones of mineralisation than was indicated by the historical data and the high-grade zone is being repeated over several sections. These results illustrate the world class potential of the Panda Hill Niobium Project"*.



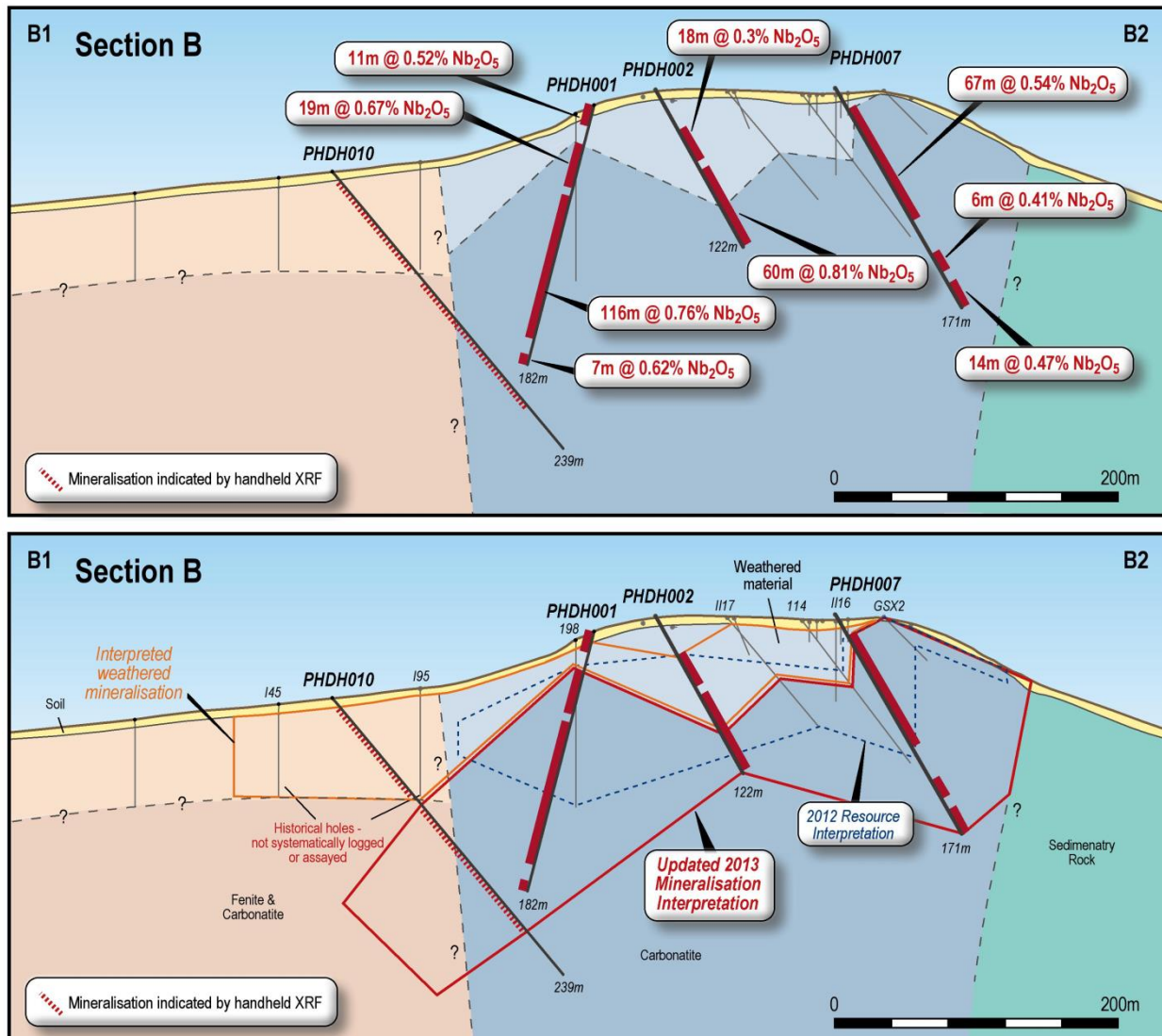


Figure 2: Oblique section B with current drill holes (black lines) and historical drill holes (grey lines) showing received laboratory Nb_2O_5 grades and mineralisation indicated by handheld XRF data (dashes). The 2012 resource boundary is shown as the blue dashed line, the interpreted 2013 mineralisation is shown in the solid red and orange lines. (Note: the handheld XRF data is considered indicative of mineralisation only).³

What is niobium?

Niobium is a bronze coloured metal that is used in the manufacture of high-strength, low-alloy (HSLA) steel, medical implants and electrical components. There are only 3 main producers in the world (2 in Brazil and 1 in Canada). Some 90% of niobium is used in steel manufacture as ferro-niobium where 0.02% (220g) niobium added to a tonne of steel will increase its strength by 30% and also increase weathering resistance. Strong growth is expected in the Nb market as developed countries use twice as much niobium in their steel as do developing countries; also HSLA usage in automobiles is expected to double by 2020.

About Panda Hill Niobium Project

The Panda Hill Niobium Project was first discovered in the 1950's and trial mined in the 1960's. The current Inferred JORC resource of 56Mt at 0.5% Nb₂O₅ (above a 0.3% Nb₂O₅ cut-off) is located within carbonatite and associated rocks and has a similar setting and rock type to the operating Niobec Niobium mine in Canada. There are 3 Mining licences over the current JORC Resource. Cradle is fast-tracking a scoping study over the project and has sent some 300kg of material to SGS Lakefield in Ontario for metallurgical testwork.

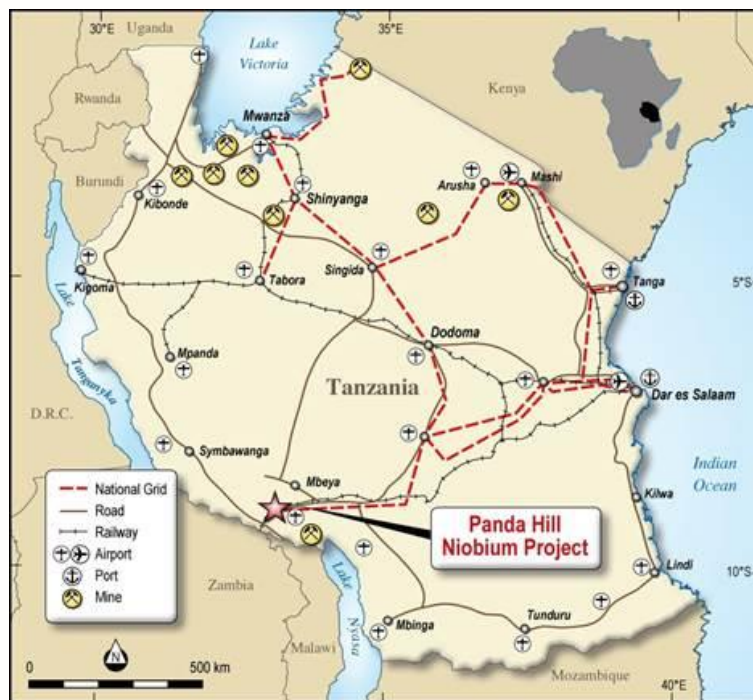


Figure 4: The Panda Hill Niobium Project, Tanzania

For further information, please visit www.cradleresources.com.au or contact:

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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 Geoscientists. 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.

The competent person for the JORC Resource estimate and classification is Ms Ellen Maidens who is a Member of the Australian Institute of Geoscientists. Ms Maidens is a full time employee of Coffey Mining and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she 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'. Ms Maidens consents to the inclusion in this document of the matters based on her information in the form and context in which it appears.