

Simon Tonkin

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**Cradle Resources (CXX); Significant Resource Upgrade for Panda Hill Niobium Project**

**Hot off the Press**  
Materials Research



**Cradle Resources (CXX)**

**\$0.15**

**Recommendation: Speculative Buy**

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#### Event

- Cradle Resources (CXX) has provided a Mineral Resource update based on the recent successful 2014 drill program.
- The overall Mineral Resource has increased 19% to 96.3Mt at 0.52% Nb<sub>2</sub>O<sub>5</sub> for 504,000t Nb<sub>2</sub>O<sub>5</sub>.
- The Primary Carbonatite material increased by 37% (by metal) to 88.4Mt at 0.52% Nb<sub>2</sub>O<sub>5</sub> for 459,000t Nb<sub>2</sub>O<sub>5</sub> (10% increase in grade and 24% increase in volume).
- The Weathered Carbonatite material decreased by 48% to 7.9Mt at 0.57% Nb<sub>2</sub>O<sub>5</sub> for 45,000t Nb<sub>2</sub>O<sub>5</sub>.
- Material in the indicated category has increased significantly to 41Mt at 0.54% Nb<sub>2</sub>O<sub>5</sub> from 5.4Mt at 0.62% Nb<sub>2</sub>O<sub>5</sub>.

#### Impact

- The increase in Mineral Resource is consistent with our previous estimates for the potential for a 10-15Mt increase in the Primary Carbonatite material (overall a 14.5Mt increase over the previous estimate). The significant increase incorporates depth extensions due to drilling in the Angle Zone, as well as extensions to the North of the deposit.
- The discovery of the higher grade Angel zone will be a key focus for the Company given that this has the potential to provide an initial 10 year mine life at good grades and limited weathered material. The decrease in the Weathered Carbonatite is a result of the increase understanding of the deposit and is a positive given that this material has lower recoveries than the Primary Carbonatite.
- Significantly, the material in the indicated category now totals 42% (previously 8%) of the overall resource and will be used as a basis for the pre-feasibility study due in February.
- We retain our **Speculative Buy** rating.

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