

25 September 2013

ASX Release

ASX Code: CXX, CXXO

**CRADLE HITS FURTHER HIGH GRADE MINERALISATION AT PANDA HILL
48m @ 1.09% Nb₂O₅, and 40m AT 0.97% Nb₂O₅**

Highlights

- Hole PHDH010 intersected 48m @ 1.09% Nb₂O₅ (equivalent to 6.8g/t gold or 4.2% copper)¹
- Hole PHDH006 extends high grade zone first seen in Holes PHDH001 and PHDH003 with 59m at 0.77% Nb₂O₅ (equivalent to 4.8g/t gold or 3% copper)¹
- High grade zone open to the south-west of the Project area
- Mineralisation grade in the 4 new holes meet or exceed results of nearby historical drill-holes
- Results of remaining 4 holes will be released to market as received

Cradle Resources Limited (ASX: CXX, CXXO) is pleased to announce that the third batch of assay results have been received and validated from the next four holes (PHDH004, 006, 009, and 010) of a 13 hole drill program at Cradle's Panda Hill Niobium Project, Tanzania (see Figs 1 to 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.

Significant intercepts² include:

- 40m @ 0.51% Nb₂O₅ (PHDH004)
- 17m @ 1.03% Nb₂O₅ (PHDH006)
- 59m @ 0.77% Nb₂O₅ (PHDH006); including 40m @ 0.97% Nb₂O₅
- 48m @ 1.09% Nb₂O₅ (PHDH010)
- 16m @ 0.84% Nb₂O₅ (PHDH010)
- 11m @ 0.88% Nb₂O₅ (PHDH010)

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

The niobium mineralisation was encountered within both fresh carbonatite and weathered lithologies. The magnetite-rich carbonatite lithology seen in Holes PHDH001, 2 and 3 has also been encountered in PHDH006 and PHDH010, with metre intercepts of up to 3.3% Nb₂O₅ (20 g/t Au equivalent¹). These results further support the targeting of the magnetite units in the next round of exploration

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.

²Intercepts rounded to the nearest metre.

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 results from Hole 6 alone are fantastic. The 40m zone of almost 1% material is along trend from Hole 1. Also Hole 10 has hit significant 1% mineralisation in near-surface weathered material. The Hole 10 near-surface mineralisation is in a region that was overlooked by the previous explorers. We are now looking to the south and west and recognising some significant exploration potential”*.

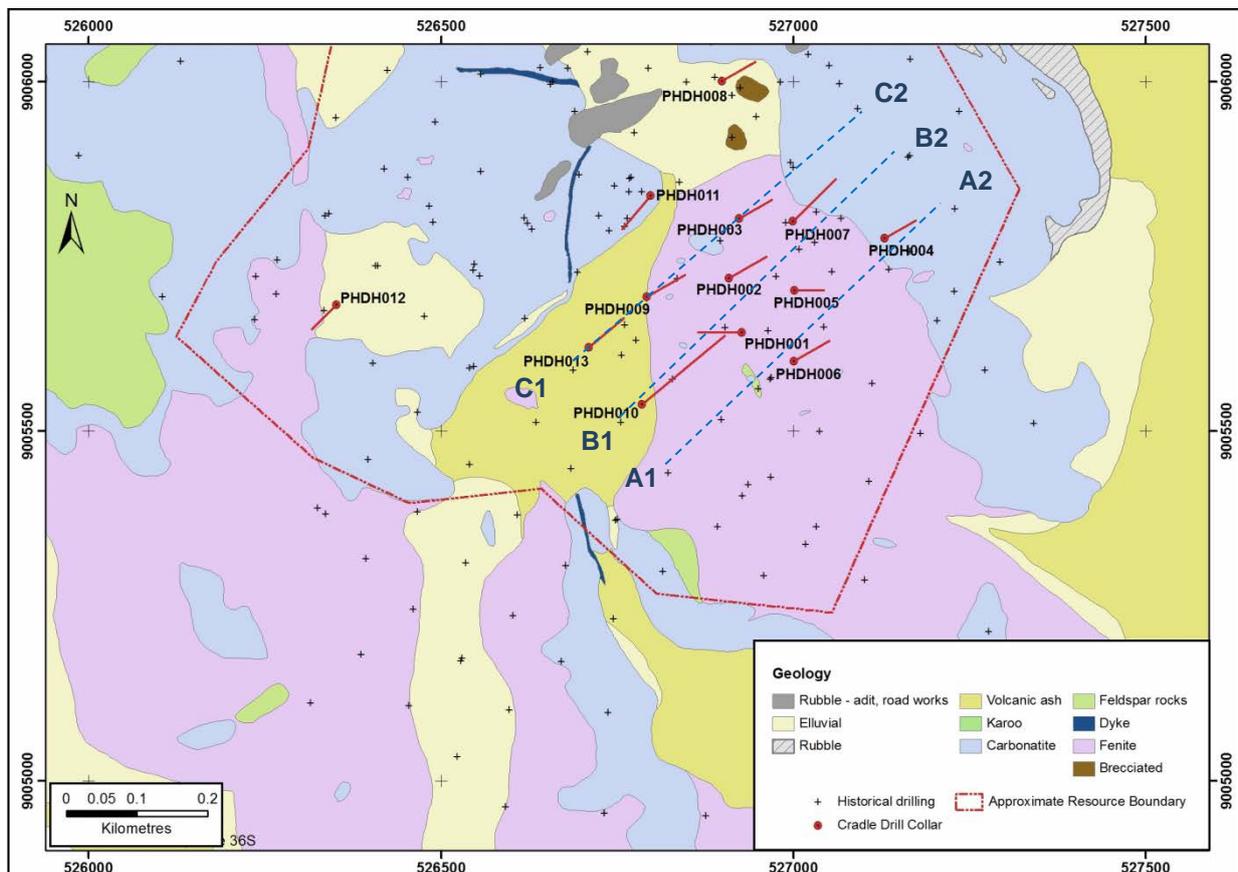


Figure 1: Local geology of Panda Hill showing the location of the 2013 drill holes (red).

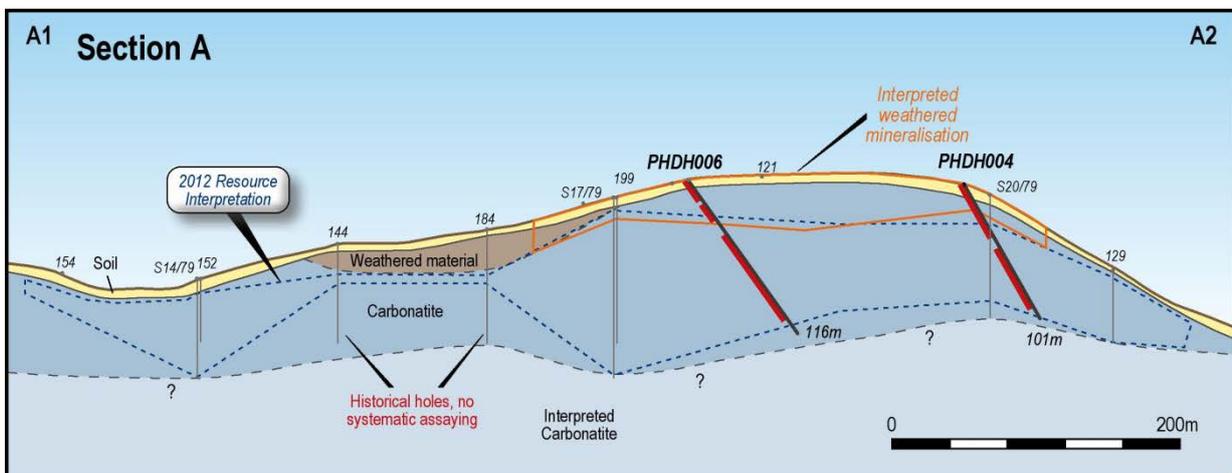
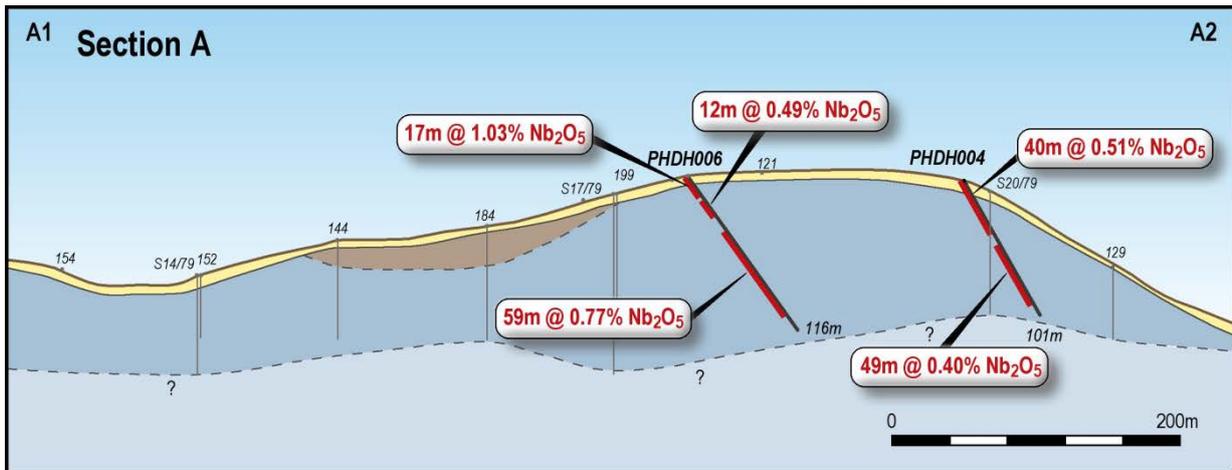


Figure 2: Oblique section A with current drill holes (black lines) and historical drill holes (grey lines) showing received laboratory Nb₂O₅ grades. The 2012 resource boundary is shown as the blue dashed line, the interpreted 2013 mineralisation is shown in the solid red and orange lines.

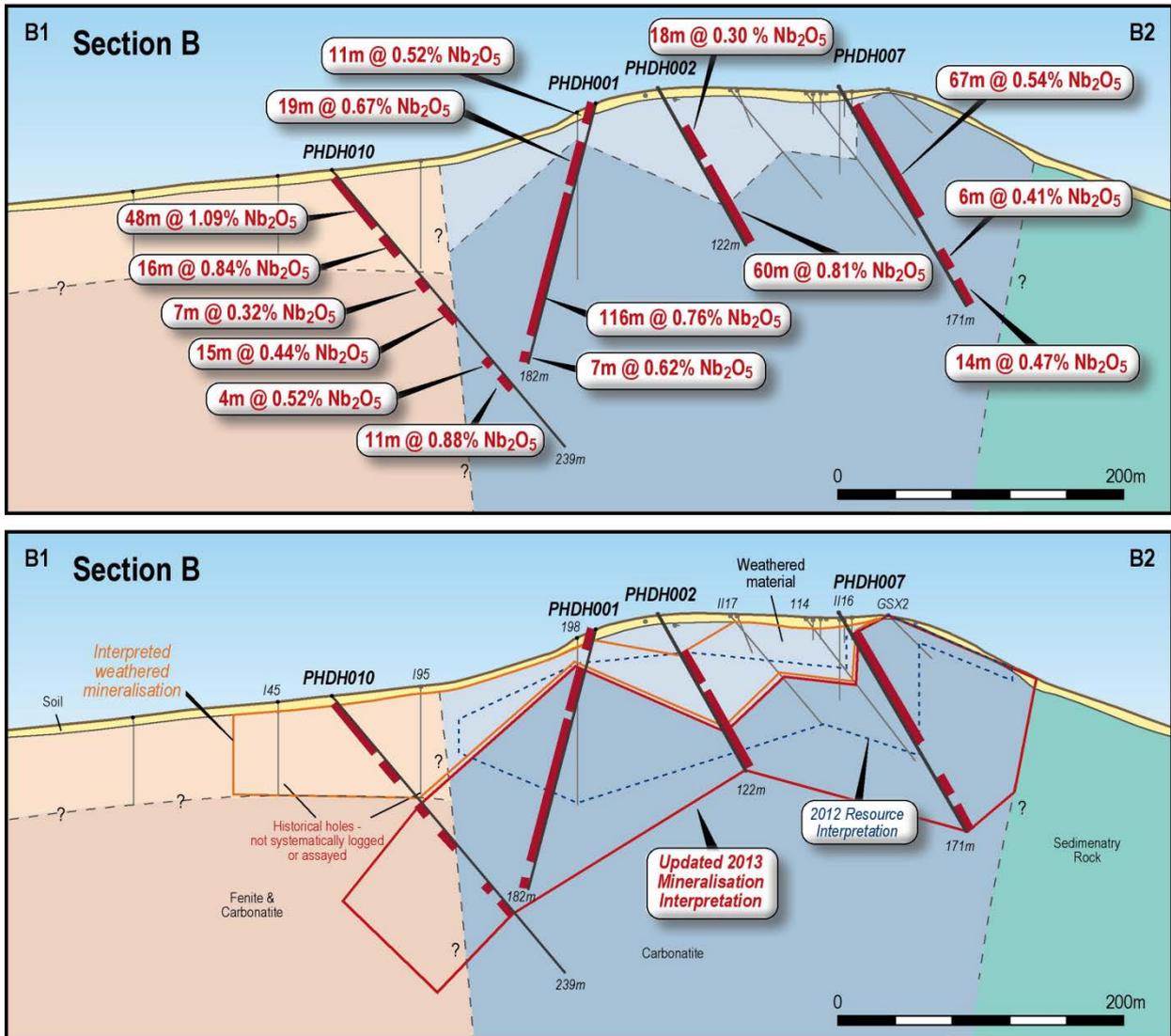


Figure 3: Oblique section B with current drill holes (black lines) and historical drill holes (grey lines) showing received laboratory Nb₂O₅ grades. The 2012 resource boundary is shown as the blue dashed line, the interpreted 2013 mineralisation is shown in the solid red and orange lines.

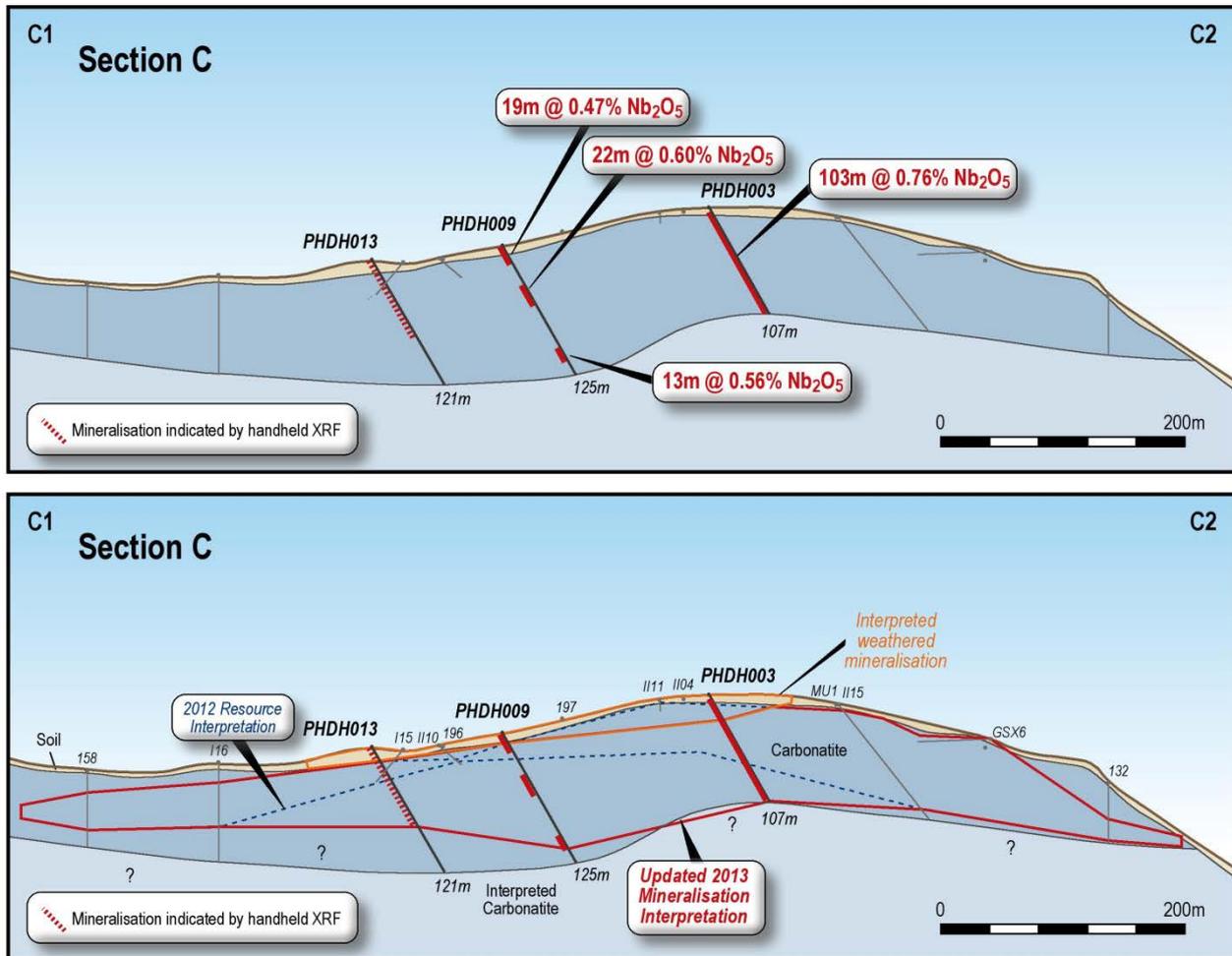


Figure 4: Oblique section C with current drill holes (black lines) and historical drill holes (grey lines) showing received laboratory Nb₂O₅ grades and mineralisation indicated by handheld XRF data (dashes). The 2012 resource boundary is shown as the blue dashed line, the interpreted 2013 mineralisation is shown in the solid red and orange lines. (Note: the handheld XRF data is considered indicative of mineralisation only).

Table 1 - Panda Hill Niobium Project

Detailed Significant Intercepts as of 23 September 2013

Hole ID	Easting	Northing	RL	EOH Depth	Dip	Azimuth	From	To	Length	Nb ₂ O ₅ (%)	
PHDH004	527129	9005775	1540	101.1	-60	060	0	40	40	0.51	
							<i>including</i>	12	23.05	11.05	0.76
							<i>including</i>	32.6	40	7.4	0.59
								46.9	96.3	49.4	0.40
PHDH006	527001	9005598	1542	116.2	-60	060	0	17	17	1.03	
							<i>including</i>	2	14.85	12.85	1.27
								20.35	32	11.65	0.49
							<i>including</i>	46.1	105	58.9	0.77
PHDH009	526795	9005694	1553	125.3	-60	060	0	19	19.0	0.47	
								36.4	58	21.6	0.6
							<i>including</i>	36.4	45	8.6	0.87
								95	108	13.0	0.56
PHDH010	526788	9005538	1501	239.2	-60	060	5.4	53	47.6	1.09	
								59.85	75.4	15.55	0.84
								100	106.95	6.95	0.32
								128.6	143.2	14.6	0.44
							176.2	180	3.8	0.52	
							191.35	202.1	10.75	0.88	

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

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 1950s and trial mined in the 1960s. 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.

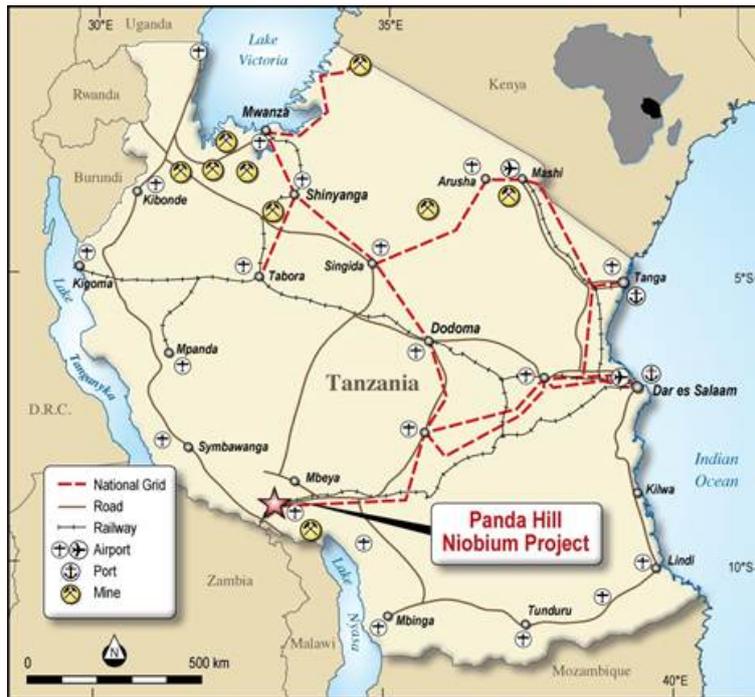


Figure 5: The Panda Hill Niobium Project, Tanzania

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

Grant Davey Managing Director Tel: +61 8 9389 2000

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.