

ASX / MEDIA ANNOUNCEMENT

28th October 2011

Cradle Resources Limited (CXX) is pleased to provide its first quarterly update following the successful Initial Public Offer (IPO) and listing on the Australian Securities Exchange (ASX).

HIGHLIGHTS

- Successful IPO raising \$2.4M
- Exercised option agreements to acquire Pilbara tenements
- Ground EM surveys commenced at Booyeema Base Metals Project
- Initiated due diligence program for assessment of investment opportunities

Corporate Activities

As part of the IPO, Cradle exercised option agreements to acquire two greenfields exploration tenements in the Pilbara.

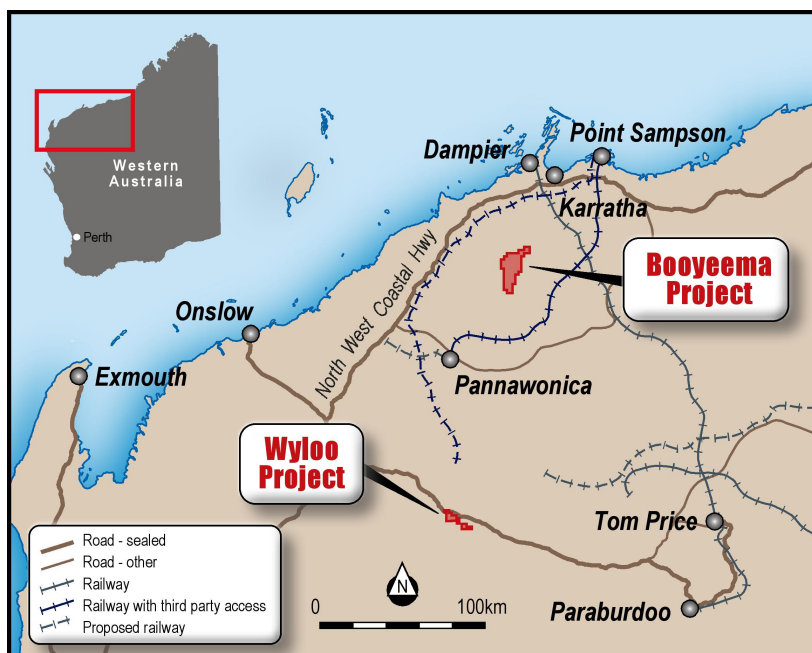


Figure 1: Tenements acquired in the Pilbara Region of WA

Fast Facts

ASX Code	CXX
Ordinary Shares	27.5M
Options on Issue	10.25M
Market Capitalisation	\$5.0M
Cash on Hand	\$2.4M

Directors & Management

Michael Ashforth - Chairman
 Evan Cranston - Non-Executive
 Brendan Cummins - Non-Executive
 Patrick Walta - CEO

Company Highlights

- IPO raised \$2.4M
- Tight capital structure
- High calibre Board with track record
- Two exciting grassroots projects
- Targeting expansion of Pilbara tenement base and acquisitions globally

Key Projects

Wyloo Iron Ore Project - Pilbara
 Booyeema Base Metal Project - Pilbara

Quarterly Exploration Activities

Wyloo Iron Ore Project

The Wyloo tenement package is approximately 150km west of Tom Price within iron formations of the emerging western Pilbara. As Figure 2 shows, the tenements are located in an area which has seen successful exploration activity and delineation of iron resources in recent years.

Approximately 8km of outcropping Marra Marra iron formation has been modeled over the tenement area, with potential for the strike length to increase to 14km under cover. Historical rock chip sampling on neighboring tenements has produced results ranging from 60.9% to 65.2% Fe.

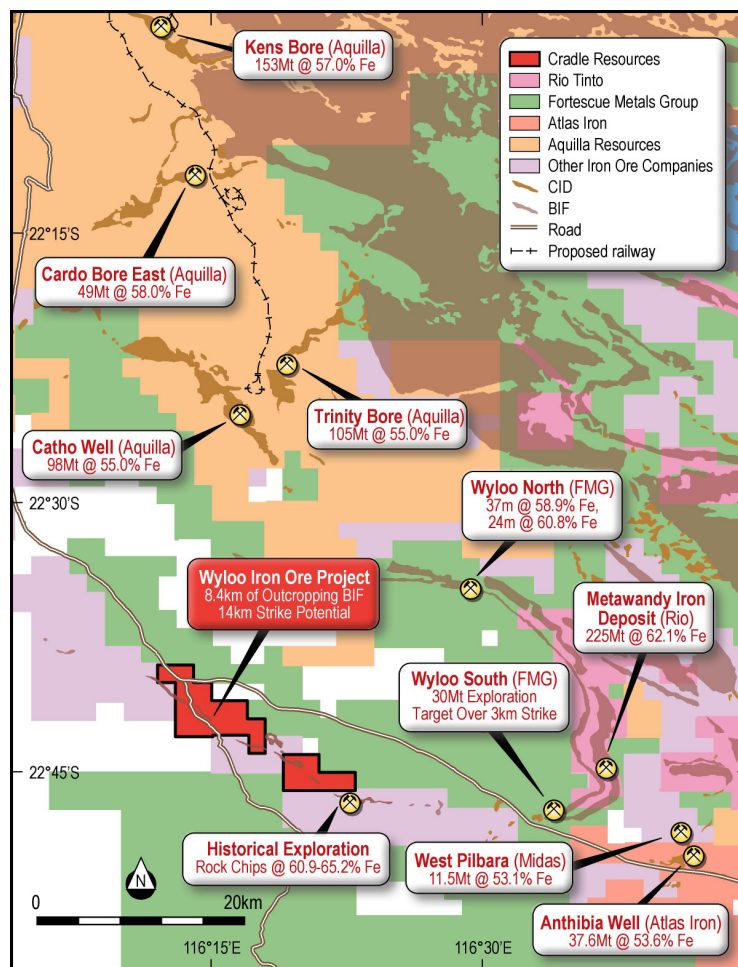


Figure 2: Wyloo tenements and neighbouring activity

During the September quarter, detailed exploration planning commenced for the Wyloo Iron Ore Project. Activities included the review of historical exploration activity on both the Wyloo and neighboring tenements, as well as geological and satellite imagery acquisition and analysis.

The results of this work have been used to develop a plan for the first exploration campaign at Wyloo, which is anticipated to occur during November 2011. Field activities will include rock chip and channel sampling, in addition to confirmatory mapping targeting primary and secondary banded iron formation enrichment. The findings will be used in the development of a systematic exploration program with a view to generating early drill targets.

Booyeema Base Metals Project

The Booyeema tenement is approximately 70km south-west of Karratha. The tenement is located in a potential corridor of known mineralization which contains significant mines and deposits including Radio Hill (4Mt @ 0.89% Cu & 0.51% Ni) and Munni Munni (24Mt @ 2.9g/t PGMs).

The base metal targets at Booyeema are highly conceptual. The Company is targeting a projected slice of potentially mineralized mafic-ultramafic intrusive complex that has been subsequently overlain with basalt of the Kylene Formation, which is part of the younger Fortescue Group. Based on the geophysical signatures of other deposits in the region, it is anticipated that potential Ni-Cu-PGE or Zn-Cu-Pb-Ag mineralization could be associated with magnetite and also conductive sulphides that would be readily identified using EM and magnetic surveys.

As part of early stage due diligence, Cradle acquired historical aerial magnetic and VTEM survey data for the tenement. These surveys revealed a number of co-incident magnetic and conductive anomalies that form the basis of the proposed exploration programs to be completed at Booyeema. Cradle recently initiated a ground EM survey to provide more data in order to rank and further define these anomalies. The results of the ground EM survey will be analysed in conjunction with the previous aerial magnetic and VTEM survey in order to model potential conductive plates for future drill targeting.

It is anticipated that due to the remoteness of the project and the other factors such as depth, size and strength of the magnetic or conductive geophysical features, only the most compelling targets will be considered for drill testing.

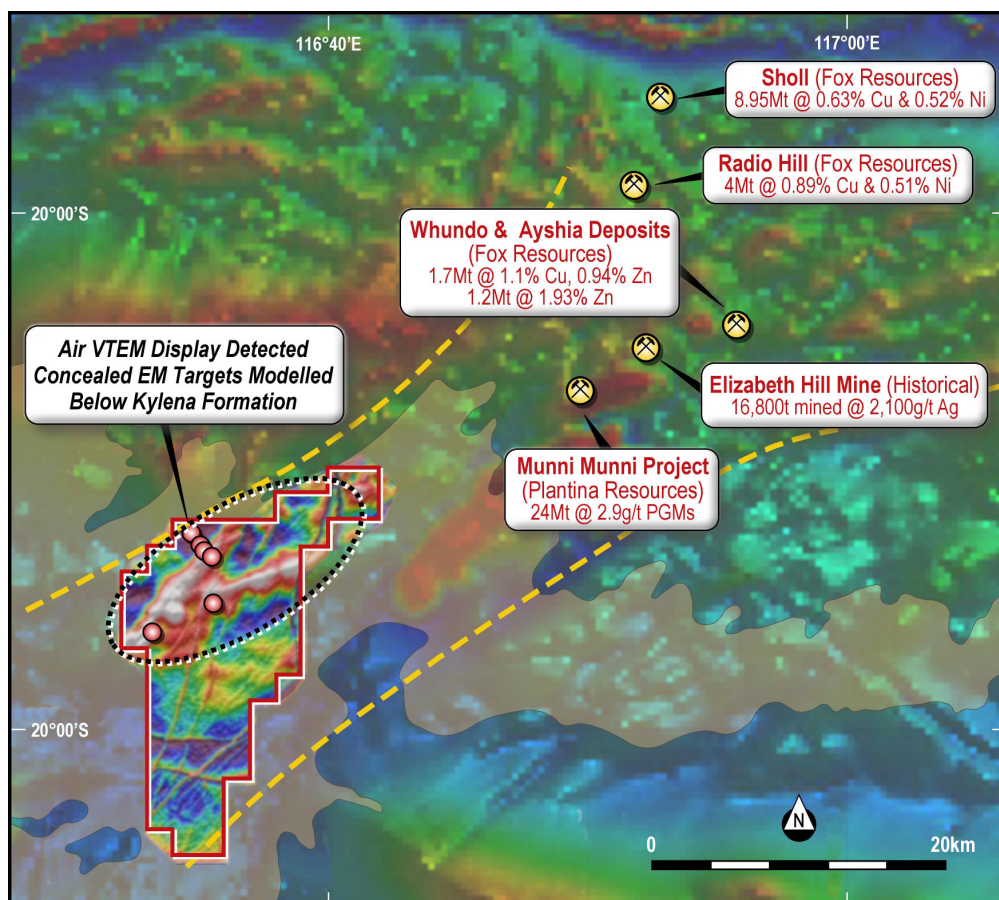


Figure 3: Regional aerial magnetic and VTEM survey data displaying follow up anomalies

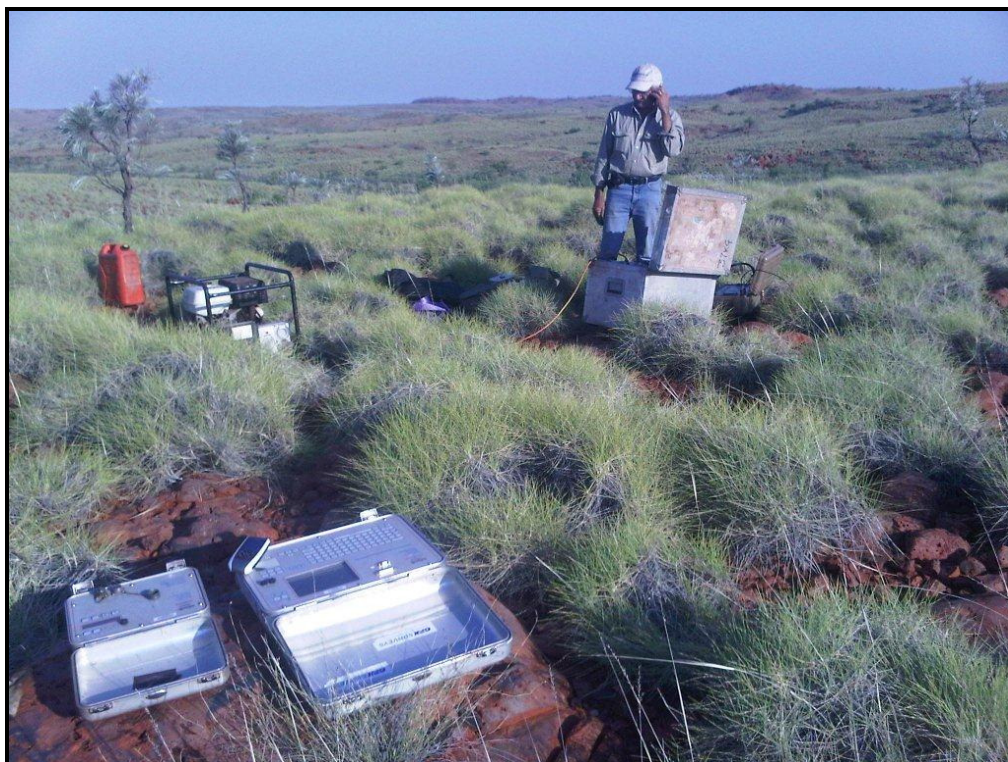


Figure 4: Ground EM exploration of the Chipolata anomaly on Booyeema

Other Activities

During the quarter, Cradle initiated a program of due diligence and review of several new resource opportunities for potential investment.

For further information please contact:

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Competent Person's Statement

The details contained in the document that pertains to exploration results, ore and mineralisation is based upon information compiled by Mr Brendan Cummins, a Non-Executive Director of Cradle. Mr Cummins is a Member of the Australian Institute of Geoscientists and 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 December 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Cummins has consented in writing to the inclusion in the report of the matters based on the information in the form and context in which it appears.