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ASX Release

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POSITIVE FLOTATION RESULTS

Highlights

- Flotation testwork achieves 70% niobium recoveries from fresh carbonatite
- Recoveries and Nb₂O₅ grades are in line with previous metallurgical work
- Further optimisation of the flow sheet and recoveries is expected

Cradle Resources Limited (ASX: CXX, CXXO) is pleased to announce that results from the flotation testwork carried out at SGS Lakefield (Canada) are in line with expectations and verify that high recoveries can be achieved from the Panda Hill niobium resource.

SGS Lakefield used the results from their previous 2002 program as the starting point for this program. A total of 18 bench scale open circuit tests were undertaken to investigate various circuit configurations and reagent regimes.

The final locked cycle test was carried out on fresh carbonatite and achieved a niobium recovery of 70% at a concentrate grade of 59% Nb₂O₅. An earlier lock cycle test carried out on primary carbonatite (which is a combination of fresh and lightly oxidised material) achieved recoveries of 60% at a concentrate grade of 46% Nb₂O₅. This earlier result is expected to be improved considerably with further optimisation.

Grant Davey, the Managing Director of Cradle, commented *"These are excellent results, particularly as the majority of the resource is fresh carbonatite. We have confirmed that high recoveries can and will be achieved from this niobium resource. The mineralogy work is showing that the lightly oxidised and weathered materials liberate well and are also capable of good flotation recoveries, albeit at a discount to the fresh material. This will be the focus of the next round of metallurgical testwork."*

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

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