

11 June 2014

ASX Release

ASX Code: CXX, CXXO

CLARIFICATION

On 30 January 2014, Cradle Resources Ltd (ASX: CXX, CXXO) released an announcement to ASX entitled "Panda Hill Project – Highly Positive Scoping Study Results". The Company repeated the Scoping Study results in its March 2014 Quarterly Activity Report which was released to ASX on 30 April 2014, but did not repeat the cautionary statement that was included in the original Scoping Study announcement. The following statement applies in relation to the Scoping Study results repeated in the March 2014 Quarterly Report:

Cautionary Statement concerning Scoping Study Results including Inferred Resources

Cradle Resources Limited (ASX: CXX, CXXO) advises the Scoping Study results and production targets reflected in the March 2014 Quarterly Report are preliminary in nature as conclusions are drawn from partly from Indicated Mineral Resources and partly from Inferred Mineral Resources. The Scoping Study is based on lower level technical and economic assessments and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

The following statements also apply in relation to the Scoping Study results repeated in the March 2014 Quarterly Report:

Competent Person's Statement

The information in the March 2014 Quarterly Report relating to the Panda Hill Resource Estimate is extracted from the announcement entitled 'Substantial Upgrade to Panda Hill Resources' dated 8 November 2013 and is available to view on <http://www.cradleresources.com.au>. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that, in the case of Mineral Resources or Ore Reserves, all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in the March 2014 Quarterly Report regarding Scoping Study results, is extracted from the announcement entitled 'Panda Hill Project – Highly Positive Scoping Study Results' dated 30 January 2014 and is available to view on <http://www.cradleresources.com.au>. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that all the material assumptions and technical parameters underpinning the production targets and the forecast financial information derived from the production targets in the Scoping Study continue to apply and have not materially changed.

By order of the Board

For further information, please visit www.cradleresources.com.au or contact Grant Davey, Managing Director on +61 8 9389 2000.