

9 October 2013

ASX Release

ASX Code: CXX, CXXO

**FINAL ASSAY RESULTS RECEIVED AT PANDA HILL
SUBSTANTIAL EXTENSION OF MINERALISATION**

Highlights

- **Hole PHDH013 intersected 62m @ 0.50% Nb₂O₅ from surface** (equivalent to 3g/t gold or 1.8% copper)^{1,2}
- **Hole PHDH013 increases the width of known mineralisation by 85 metres in this area**
- **Hole PHDH008 intersected total mineralisation of 68m @ 0.52% Nb₂O₅** (equivalent to 3.3g/t gold or 2% copper)^{1,2,3}
- **Hole PHDH012 intersected total mineralisation of 61m @ 0.61% Nb₂O₅** (equivalent to 3.8g/t gold or 2.3% copper)^{1,2,3}
- **Holes tested the broader mineralisation and successfully repeated or improved on historical results**
- **All assay results have now been received and validated**
- **Metallurgical testing is progressing well and results are expected by the end of October 2013**

Cradle Resources Limited (ASX: CXX, CXXO) (**Cradle**) is pleased to announce that the final assay results have been received and validated from the last four holes (PHDH008, 011, 012, and 013) of a 13 hole drill program at Cradle's Panda Hill Niobium Project, Tanzania (see Figures 1 to 5 below). All holes were drilled using diamond coring techniques to NQ or HQ diameter. 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 total mineralisation intercepts^{2,3} for these four holes were:

- 68m @ 0.52% Nb₂O₅ (PHDH008)
- 67m @ 0.43% Nb₂O₅ (PHDH011)
- 61m @ 0.61% Nb₂O₅ (PHDH012)
- 72m @ 0.48% Nb₂O₅ (PHDH013)

A summary of the significant intersections for the 2013 drill program is set out in Table 1.

¹Au 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.

³Intercepts for the holes in question have been totalled. See Table 1 for individual intercepts.

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 *“We are pleased with the results from the last 4 holes. These holes continue to confirm that the historical drilling results can be repeated and, in the case of Hole PHDH013, dramatically extended. This 13 hole drill programme has supported our belief that there is significant resource upside potential available at depth and within the poorly drilled regions of the carbonatite deposit. Table 1 details the significant intercepts of the 2013 drill program, which clearly indicate that this is a world class niobium resource with significant economic potential.”*

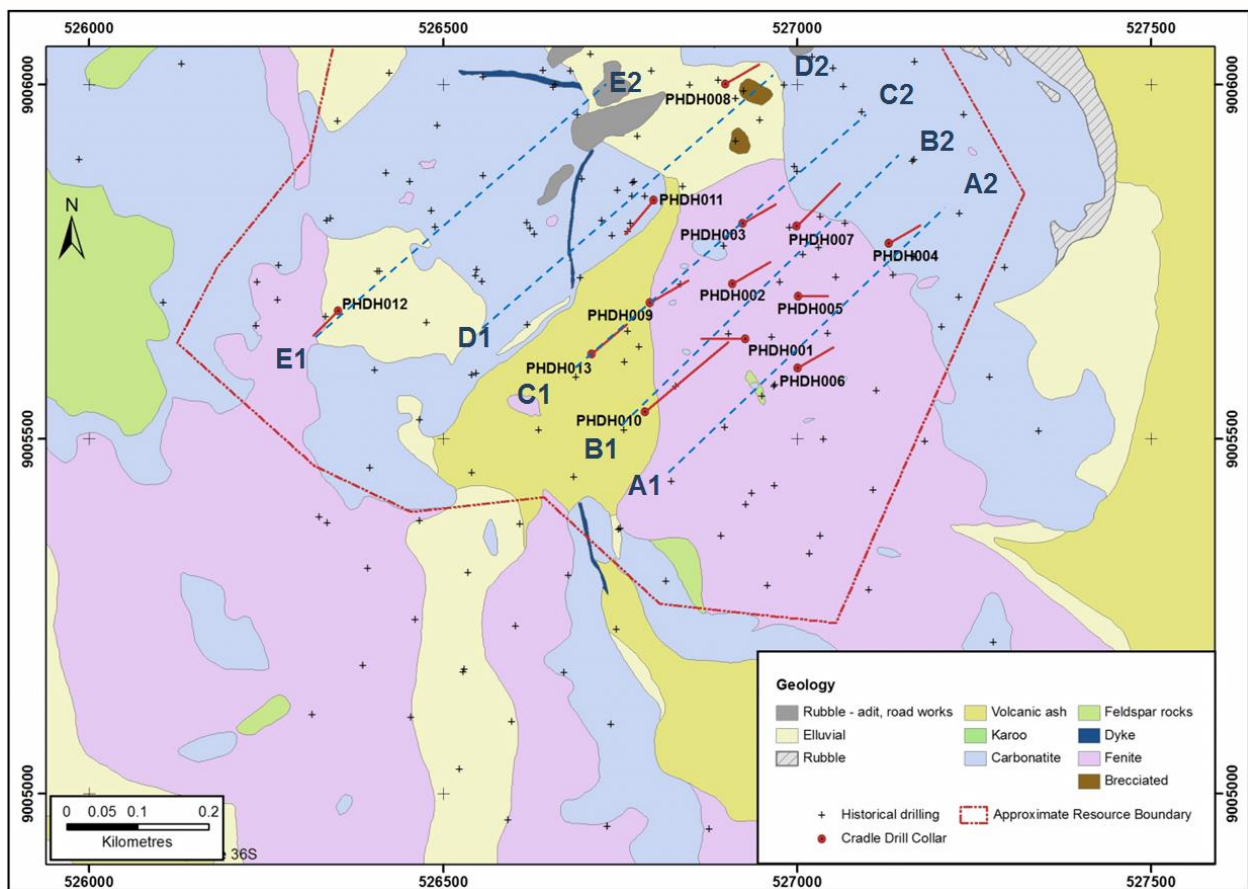


Figure 1: Local geology of Panda Hill showing the location of the 2013 drill holes (red).

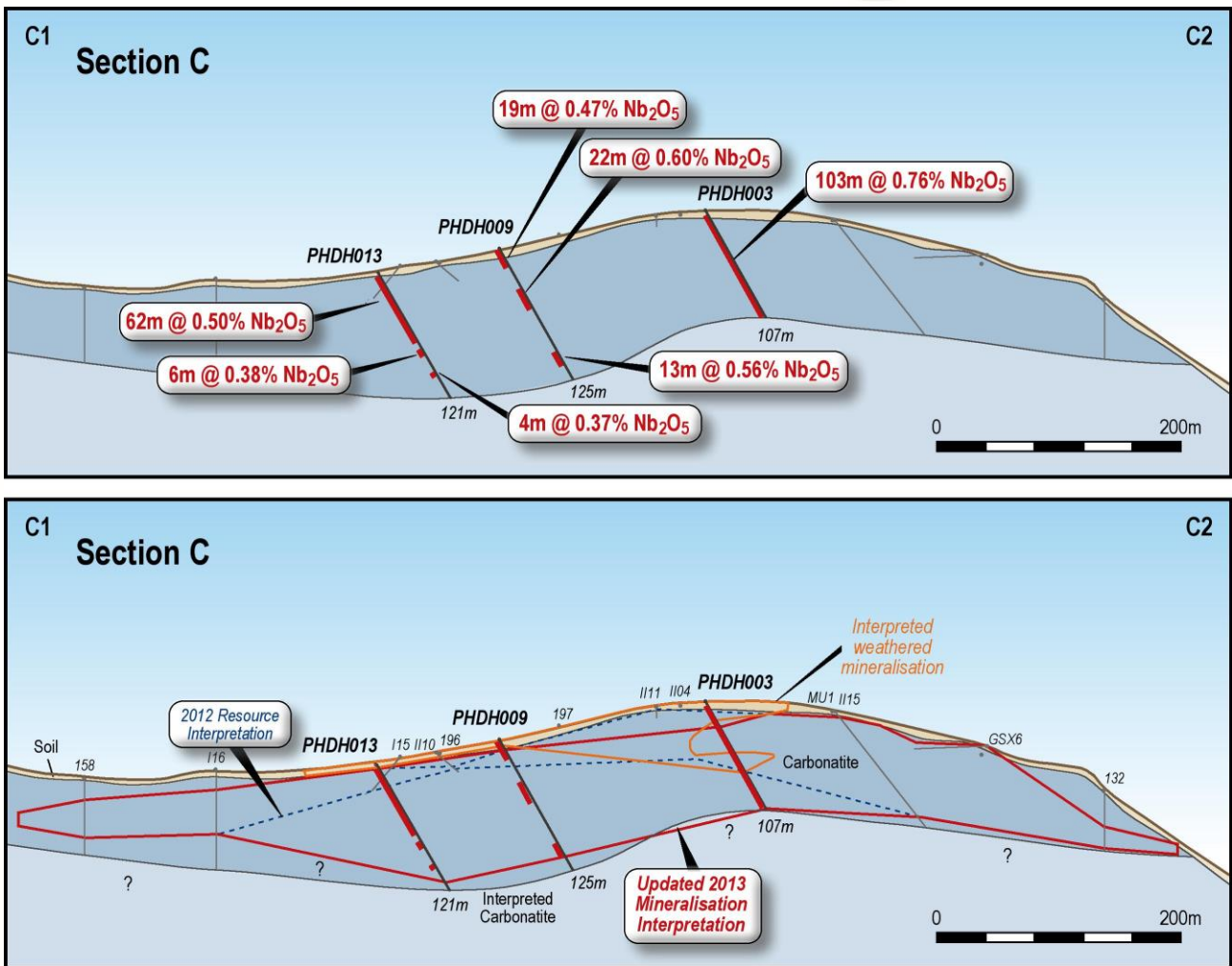


Figure 2: Oblique section C with current drill holes (black lines) and historical drill holes (grey lines) showing received laboratory Nb₂O₅ grades. The 2012 resource boundary is shown as the blue dashed line, the interpreted 2013 mineralisation is shown in the solid red and orange lines.

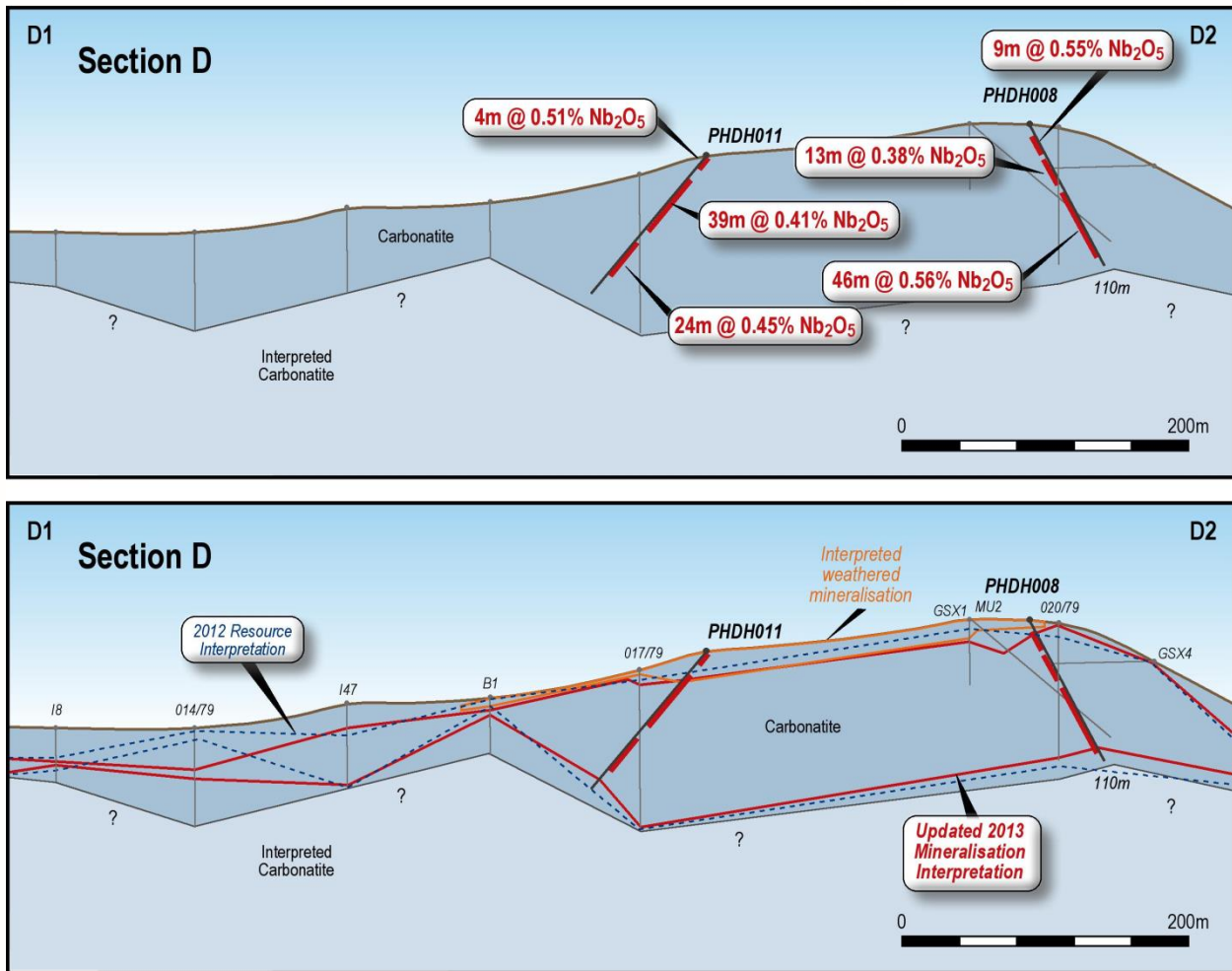


Figure 3: Oblique section D with current drill holes (black lines) and historical drill holes (grey lines) showing received laboratory Nb_2O_5 grades. The 2012 resource boundary is shown as the blue dashed line, the interpreted 2013 mineralisation is shown in the solid red and orange lines.

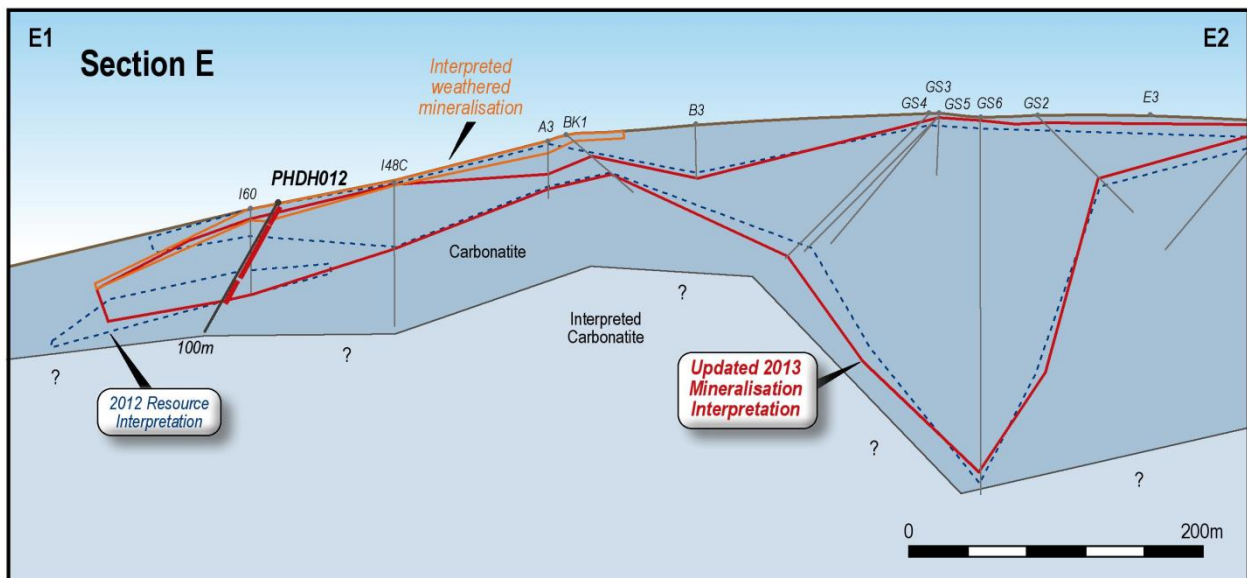
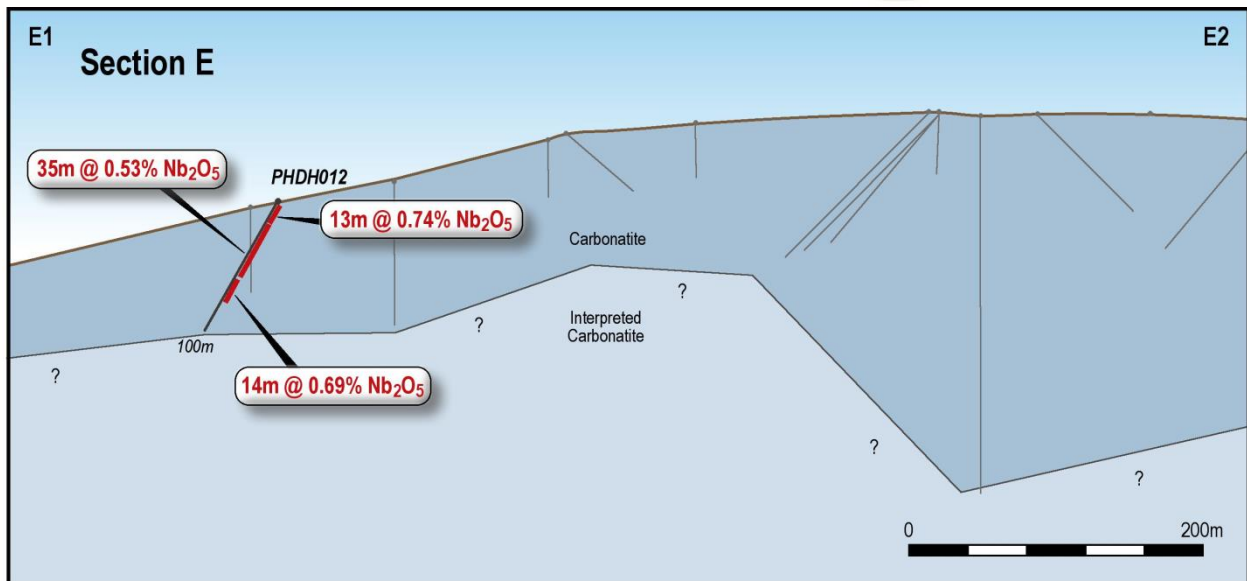


Figure 4: Oblique section E with current drill holes (black lines) and historical drill holes (grey lines) showing received laboratory Nb₂O₅ grades. The 2012 resource boundary is shown as the blue dashed line, the interpreted 2013 mineralisation is shown in the solid red and orange lines.

Table 1 - Panda Hill Niobium Project
Detailed Significant Intercepts as of 7 October 2013

Hole ID	Easting	Northing	RL	EOH Depth	Dip	Azimuth	From	To	Length	Nb ₂ O ₅ (%)	
PHDH001	526927	9005641	1540	182.8	-70	270	0	10.7	10.7	0.52	
							12.8	32.0	19.2	0.67	
							41.6	158.0	116.4	0.76	
							172.7	180.0	7.3	0.62	
PHDH002	526911	9005718	1559	122.5	-60	060	37.0	48.0	11.0	0.36	
							60.0	119.5	59.5	0.81	
							<i>Including</i>	62.0	74.0	12.0	1.03
							<i>Including</i>	91.5	96.5	5.0	1.2
							<i>Including</i>	105.5	119.5	14.0	0.93
PHDH003	526922	9005800	1555	107.4	-60	060	2.45	100.8	103.25	0.76	
							<i>Including</i>	2.45	23.7	21.25	1.18
							<i>Including</i>	63.0	77.85	14.85	1.4
							<i>Including</i>	82.8	86.05	3.25	0.82
PHDH004	527129	9005775	1540	101.1	-60	060	0	40.0	40.0	0.51	
							<i>Including</i>	12.0	23.05	11.05	0.76
							<i>Including</i>	32.6	40.0	7.4	0.59
PHDH005	527002	9005701	1557	84.3	-60	090	46.9	96.3	49.4	0.40	
							<i>Including</i>	46.9	51.6	4.7	1.07
								5.4	10.3	4.9	1.15
								24.7	39.5	14.8	0.43
								49.6	57.6	8.0	0.56
PHDH006	527001	9005598	1542	116.2	-60	060	0	17.0	17.0	1.03	
							<i>Including</i>	2.0	14.85	12.85	1.27
								20.35	32.0	11.65	0.49
							<i>Including</i>	46.1	105.0	58.9	0.77
PHDH007	527000	9005800	1559	170.9	-60	045	9.9	77.0	67.1	0.54	
								95.5	101.4	5.9	0.41
								156.7	170.9	14.2	0.47
PHDH008	526953	9006001	1545	110.3	-60	060	8.0	17.15	9.15	0.55	
							<i>including</i>	13.0	17.15	4.15	0.84
								28.0	41.0	13.0	0.38
								54.5	100.0	45.5	0.56
PHDH009	526795	9005694	1553	125.3	-60	060	0	19.0	19.0	0.47	
								36.4	58.0	21.6	0.6
							<i>including</i>	36.4	45.0	8.6	0.87
								95.0	108	13.0	0.56
							<i>including</i>	99.0	108.0	9.0	0.65

PHDH010	526788	9005538	1501	239.2	-60	060	5.4	53.0	47.6	1.09	
							59.85	75.4	15.55	0.84	
							100.0	106.95	6.95	0.32	
							128.6	143.2	14.6	0.44	
							176.2	180.0	3.8	0.52	
PHDH011	526797	9005837	1526	121.8	-50	220	191.35	202.1	10.75	0.88	
							0	3.7	3.7	0.51	
							21.0	60.3	39.3	0.41	
							<i>Including</i>	21.0	29.0	8.0	0.6
							78.15	102.2	24.05	0.45	
PHDH012	526351	9005681	1497	100	-60	225	1.5	14.2	12.7	0.74	
							19.0	53.85	34.85	0.53	
							<i>Including</i>	19.0	23.8	4.8	0.74
							61.35	75.0	13.65	0.69	
							PHDH013	526710	9005620	1508	121.2
<i>including</i>	5.3	20.0	14.7	0.77							
<i>including</i>	69.0	75.4	6.4	0.38							
<i>including</i>	56.1	60.0	3.9	0.7							
							91.7	95.2	3.5	0.37	

Note: The major intercepts have been tabulated above a nominal 0.35% Nb₂O₅ lower cut-off and not 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.

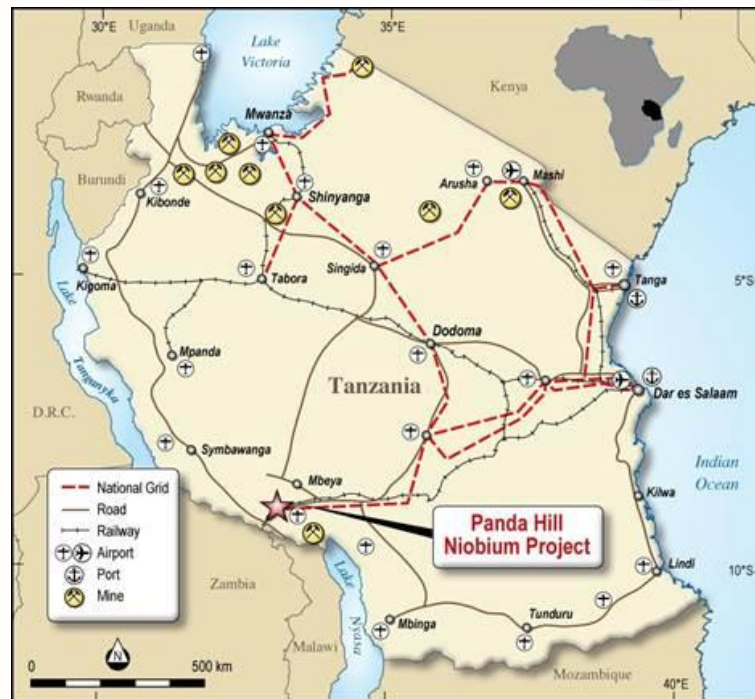


Figure 5: The Panda Hill Niobium Project, Tanzania

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.