POTENTIAL INFRASTRUCTURE SOLUTION FOR SANDENIA

Key Points:

- **Rio Tinto announces plans for a multi user port and rail facility to service the Simandou Iron Ore Project.**

- **Rio Tinto's planned development of the Simandou Iron Ore Project potentially provides an infrastructure solution for the Sandenia Iron Ore Project.**

Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) (**Cape Lambert** or the **Company**) is pleased to announce the opportunity for a potential infrastructure solution for the future development of its 100% owned Sandenia Iron Ore Project in Guinea, West Africa (**Sandenia Project** or **Sandenia**).

The Company notes the recent announcement released by Rio Tinto Limited (**ASX: RIO**) (**Rio Tinto**) and partners on 26 May 2014 in relation to the signing of the Investment Framework (**IF**) for development of the Simandou South Iron Ore Project in Guinea, West Africa and in particular, the following statements from the announcement;

- "A key feature of the IF is the "multi-user" nature of the transport infrastructure, which means it will be accessible to various Guinean people, and boost the economy through enabling the transport of goods inside and outside Guinea to global export markets opened up by the port."

- "The rail and port will diversify the economy and maximize opportunities in sectors such as horticulture, agriculture, forestry and mining. The multi-user regime within the Investment Framework will allow access to mine producers along the Southern Growth Corridor."

The Sandenia Project may potentially have access to this stated multi user 650km railway and deep water port infrastructure once it has been developed.

Sandenia is located approximately 290km east of the capital of Guinea, Conakry and consists of one exploration permit covering 298km^2. The corridor for the proposed Trans-Guinean multi user railway is currently designed to run directly through the Sandenia permit with the actual rail alignment crossing the south western corner. The main deposit lies centrally within the corridor and approximately 5km from the rail line (refer Figures 1 and 2).

Sandenia is an early stage exploration project with five identified targets prospective for enriched oxide with underlying magnetite banded iron formation (**BIF**). From a combination of aeromagnetic interpretation, field mapping, trenching and sampling, a global [1]Exploration Target of [2]1.2 – 2.0 Bt at 25% - 35% Fe has been estimated.

Sandenia is approximately 15km south of the Kalia Iron Ore Project (**Kalia**) which is owned by AIM listed Bellzone Mining plc (**AIM: BZM**). The Sandenia Project is considered to have similarities with Kalia which has a valid mining convention and reserves of 6.16 Bt.

The Company is planning to open discussions with the Guinean government and senior representatives of Rio Tinto with the aim of potentially formulating a framework agreement allowing access to the planned multi user port and rail infrastructure.

Cape Lambert Executive Chairman Mr Tony Sage said "the news recently announced by Rio Tinto and its partners, demonstrates both Rio's and the Guinean Government's substantial commitment to developing the nation's wealth of mineral deposits." Mr Sage also said "this situation bodes well for the Company's Sandenia Iron Ore Project and provides a potential transport solution for the export of iron ore from the project once it is developed."

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

Competent Person Statement:
The contents of this announcement relating to exploration results and Mineral Resources are based on information compiled by Olaf Frederickson, a member of the Australasian Institute of Mining and Metallurgy. Mr Frederickson is a consultant to Cape Lambert Resources Limited and has sufficient experience relevant to the styles of mineralisation and the deposit under consideration to qualify as a Competent Person, as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Frederickson consents to the inclusion in this announcement of the matters compiled by him in the form and context in which they appear.

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[1] The estimates of Exploration Target sizes should not be misunderstood as estimates of Mineral Resources The estimates of Exploration Target sizes are conceptual in nature and there has been insufficient results received from drilling to date to estimate a Mineral Resource in accordance with the JORC Code (2012). It is uncertain if further exploration will result in the determination of a Mineral Resource. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

[2] The tonnage estimate has been adjusted down from that originally reported due to a reduction of the tenement dimensions resulting from statutory requirements.

Figure 1
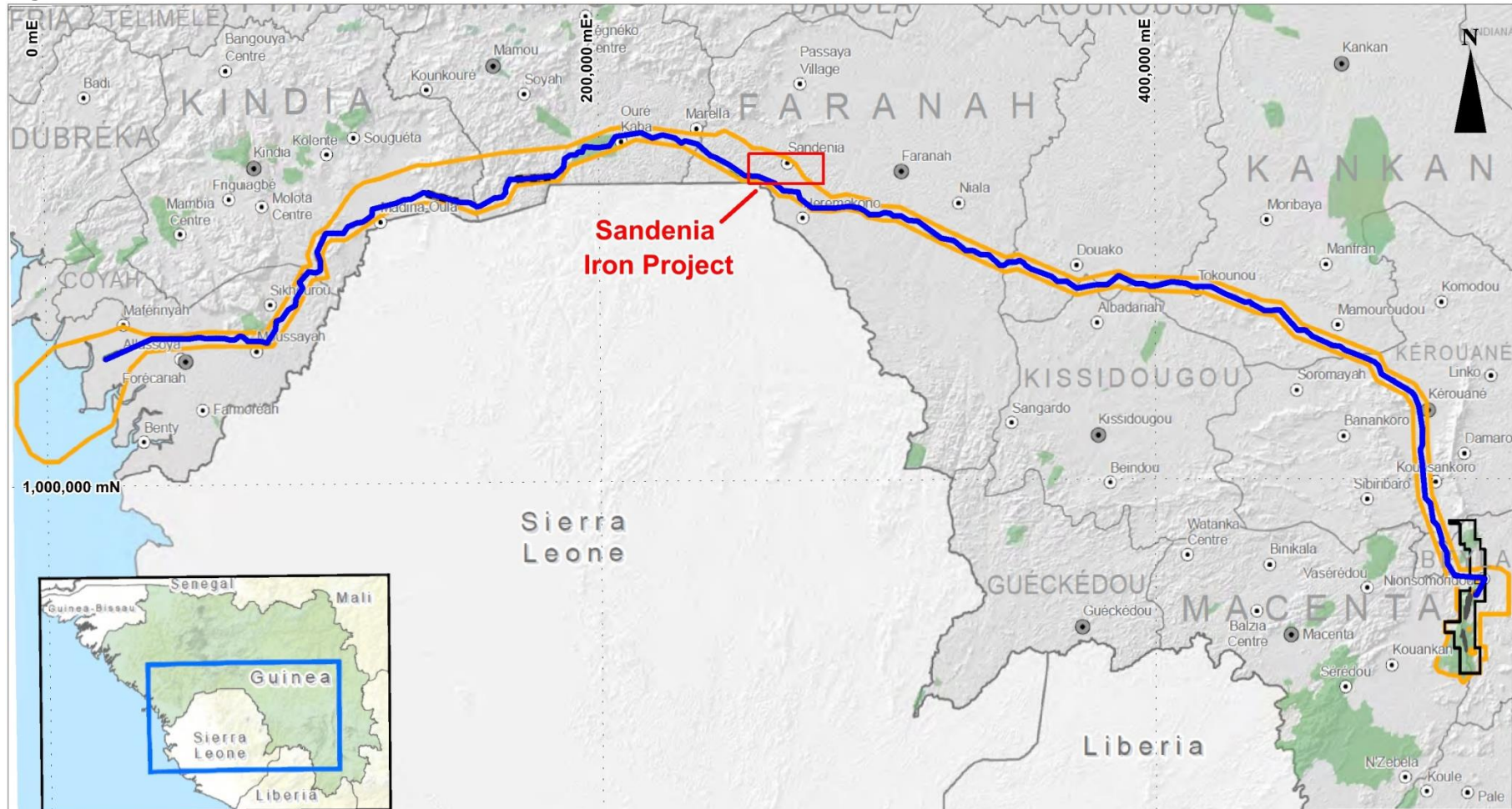
Sandenia
Iron Project

Proposed Trans-Guinean Railway

Ref: Rio Tinto Simandou
SEIA Reports Vol II Ch 2

Proposed Railway

Sandenia Tenement

Rail Corridor

Figure 2

Sandenia Project, Guinea
Proposed Trans-Guinean Railway

Date: 11/06/2014

Scale: 1:125000

Projection: Popular Visualization CRS

LEGEND

Sandenia Tenement

Mapped BIF Beds
Mapped BIF Beds

Regional Mapping

Dolerite/Gabbro intrustion

Subsurface Intrusions (interpreted)

Amphibolite

Undifferentiated Paragneiss

BIF with subordinate paragneiss

Undifferentiated Orthogneiss

Migmatitic Paragneiss

Biotite/Hornblende Orthogneiss

Leucocratic Orthogneiss

Rail Corridor

Rail Line

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