

MARAMPA PROJECT – UPDATE

Australian resources company Cape Lambert Resources Limited (**ASX: CFE**) (**Cape Lambert** or the **Company**) wishes to update shareholders in respect of its 100% owned Marampa iron ore project located in Sierra Leone, West Africa (**Marampa**).

Background

Marampa is a specular hematite project currently at the permitting and development stage, located 90 km northeast of Freetown in Sierra Leone, West Africa.

Marampa comprises two granted exploration licences (EL46A/2011 – 239.18 km² and EL46B/2011 – 66.00 km² (formerly EL46/2011 – 305.18 km²)) held by Marampa Iron Ore (SL) Limited (**MIOL**), which indirectly, is a wholly owned subsidiary of Cape Lambert.

In April 2013, Marampa was issued its environmental licence for the Project, which marked the first key step in the permitting process. In November 2013, an application for a large scale mining licence was lodged with the relevant Sierra Leone authorities.

Mining Licence Application

The National Minerals Agency (**NMA**) recently advised the Company that its application for a large scale mining licence has been under review and is expected to be granted at the next scheduled meeting of the NMA. Once the mining licence has been granted the Company will then negotiate the terms of Marampa's mine lease agreement (refer Figure 1 for Licence boundaries).

Renewal of Exploration Licences EL46A/2011 and EL46B/2011

The Minister of Mines, in a letter to the Company, has advised that exploration licences EL46A/2011 and EL46B/2011, which are due to expire in August 2015, will be renewed for a further two years subject to lodgement of a formal application by MIOL.

Relinquishment of land within EL46A/2011

In late 2012, Marampa received a request from the Sierra Leone Ministry of Mineral Resources (**MMR**) to voluntarily relinquish part of its exploration licence EL46A/2011, so that it could be incorporated in to the mining lease area of London Mining Plc (**London Mining**), to assist them with their plans for additional tailings storage facilities.

Following ongoing and recent discussions with the MMR and the NMA, Cape Lambert has agreed that, in the interests of bringing continued benefits to the people of Sierra Leone, and subject to its large scale mining licence being granted and the exploration licences being renewed, it is prepared to relinquish the requested 13.91 km² of land from EL46A/2011 so that it can be used by

Cape Lambert Resources Limited (ASX: CFE) is a fully funded mineral development company with exposure to iron ore, copper, gold, uranium, manganese, lithium and lead-silver-zinc assets in Australia, Europe, Africa and South America.

Australian Securities Exchange Code: CFE

Ordinary shares
626,896,143

Unlisted Options
500,000 (\$0.15 exp 30 Sept 2015)

Board of Directors

Tony Sage
Executive Chairman

Tim Turner
Non-executive Director

Jason Brewer
Non-executive Director

Ross Levin
Non-executive Director

Melissa Chapman
Company Secretary

Key Projects and Interests

Marampa Iron Ore Project
Pinnacle Group Assets

Cape Lambert Contact

Tony Sage
Executive Chairman

Eloise von Puttkammer
Investor Relations

Phone: +61 8 9380 9555
Email: info@capelam.com.au

Australian Enquiries

Professional Public Relations
David Tasker
Phone: +61 8 9388 0944
Mobile: +61 433 112 936
Email: david.tasker@ppr.com.au

UK Enquiries

Tavistock Communications
Emily Fenton / Jos Simson
Phone: +44 (0)207 920 3150
Mobile: +44 (0)7899 870 450

London Mining. The land to be relinquished borders Marampa's mining licence application area and does not contain any identified commercially exploitable iron mineralisation. Cape Lambert has not requested, nor will it receive any commercial compensation from London Mining for the relinquished ground.

Marampa Power Supply

MIOL has recently executed a Terms Sheet with power generation company Africa Energies Development Ltd (**AED**) for the negotiation of a power purchase agreement (**PPA**) to supply electrical power to the Marampa Project. AED are proposing to build a 100 MW coal fired power station within the Port Loko district, which is a short distance from the Marampa Project. The Terms Sheet provides for Marampa to access 25 MW of power, which is sufficient for the requirements of the proposed Stage 1 development. The PPA, to be finalised by September 2016, is subject to MIOL obtaining its mining licence for the Project and securing adequate funding for the Project's development.

Cape Lambert's Executive Chairman said "Cape Lambert is happy to work with the authorities in Sierra Leone in any effort that provides positive outcomes for all stakeholders in Sierra Leone". He added "granting of the mining licence and renewal of the exploration licences as well as securing an agreement for third party supplied power for the Stage 1 development will be another milestone achievement for Marampa and will provide another level of confidence for potential acquirers of the project".

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

Figure 1: Licence Boundaries at the Marampa Project

