

Market Update

Australian resource and investment company, Cape Lambert Resources Limited (**ASX:CFE**) (**Cape Lambert** or the **Company**) wishes to update shareholders in relation to various matters concerning the Company, namely the status of the Timis Mining Corporation SL Limited and Timis Mining Corporation Limited (collectively **Timis Mining**) royalty and the holding in CFE held by major shareholder African Minerals Limited (AML).

Timis Mining Royalty

As previously announced (refer ASX announcements dated 27 January 2015), Cape Lambert received a royalty payment of approximately A\$400k for the first shipment of iron concentrate in December 2014 from the Marampa Iron Ore Mine (**Mine**) under the funding agreement with Timis Mining (**Agreement**), which included a royalty to receive US\$2 per tonne of iron concentrate exported from the Mine (**Royalty**), payable on a quarterly basis.

The Royalty is payable over a four year period and in the event the Mine temporarily suspends production for a force majeure event, the Royalty period will be extended by the same period that the force majeure event continues.

For the March 2015 quarter a further seven shipments have been made from the Mine, with Cape Lambert to receive a royalty payment of approximately US\$1.4m for this period and this amount will be invoiced on 1st May 2015.

The Company has been made aware of issues by Timis Mining at the Mine that appear to relate to sabotage, however we are yet to verify these reports. As a consequence production at the Mine has ceased.

Commenting on the circumstances in Sierra Leone, Cape Lambert's Executive Chairman Tony Sage said "The unforeseen issues at the Marampa mine are disappointing and we are hopeful they will be resolved soon and production will recommence."

African Minerals Limited holding in CFE

Administrators were appointed to manage the affairs, business and property of African Minerals Limited (**AML**) on 26 March 2015. AML is a substantial shareholder of CFE with a holding of 122,023,000 shares.

Cape Lambert is now aware the Administrators of AML are proposing to sell the entire AML holding in CFE in due course, however we are unaware of the timing and their process.

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
626,686,586

Unlisted Options
500,000 (\$0.15 exp 30 Sept 2015)
9,225,000 (\$0.088 exp 18 Dec 2016)

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

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The Company has engaged with the Administrators of AML so as to ensure this holding can be sold in a manner not detrimental to the CFE share price.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman