

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.

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**).

In accordance with the funding agreement with Timis Mining (**Agreement**), Cape Lambert will receive a royalty of US\$2 per tonne of iron concentrate exported from the Mine (**Royalty**) which is payable on a quarterly basis.

The Royalty was originally payable over a four year period and in the event the Mine temporarily suspended production due to a force majeure event, the Royalty period would be extended by the same period that the force majeure event continues. The Royalty agreement has been amended and a Royalty of US\$2 per tonne is now payable on production of 24mt from the Mine and is not limited to a 4 year time period.

In the March 2015 quarter a further eight shipments have been made from the Mine with Cape Lambert to receive a royalty payment of US\$2,566,420. The Company is yet to receive this amount however is in communication with Timis Mining to understand when the payment will be received.

Timis Mining has advised that due to unforeseen circumstances the Mine continues to be in care and maintenance. Consequently, the Company will not receive a Royalty payment for the June 2015 quarter.

Commenting on the situation of Timis Mining, Cape Lambert's Executive Chairman Tony Sage said "It is unfortunate that the Marampa mine is facing these unforeseen issues, however we are in communication with Timis Mining on a regular basis and we remain hopeful that these issues will be resolved soon and that production will recommence at Marampa." He further added "The original royalty agreement was based on 6mt per year for 4 years. So we are pleased to have amended the royalty agreement to 24mtpa in total, even if achieved after the initial 4 year term."

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

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)
8,925,000 (\$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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Executive Chairman

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