

Underwriting Agreement to raise \$4m

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
7,675,000 (\$0.088 exp 18 Dec 2016)

Board of Directors

Tony Sage
Executive Chairman

Tim Turner
Non-executive Director

Jason Brewer
Non-executive Director

Melissa Chapman
Company Secretary

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Further to the announcement released by Cape Lambert Resources Limited (ASX: CFE) (Cape Lambert or the Company) on 11 January 2016, the Company has been requested by the ASX to provide further details on the underwriting agreement it has entered into with Gulf Energy International Limited (Gulf Energy) for the placement of approximately 94 million shares at 4.25c per shares to raise \$4m (Underwriting Agreement).

The key terms of the Underwriting Agreement are as follows:

- Underwritten amount of \$4m;
- Placement with sophisticated investors in the United Kingdom or Europe;
- Subject to shareholder approval, one option for every four shares subscribed to under the placement to be issued with an exercise price of 5c exercisable on or before 31 December 2018;
- Proposed closing date of 11 February 2016, being 30 days from execution of the Underwriting Agreement, and settlement date of 26 February 2016; and
- An underwriting fee of 5% will be paid to Gulf Energy.

The Underwriting Agreement contains a number of indemnities, representations and warranties from the Company to Gulf Energy that are considered standard for an agreement of this type. It also contains termination provisions whereby Gulf Energy has the right to terminate the Underwriting Agreement upon the occurrence of certain events, including:

- If the S&P 200 falls more than 10% at any time from execution of the Underwriting Agreement up to the date of closing; and
- A number of other termination events common to agreements of this type.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman