

30 October 2013

## QUARTERLY REPORT – 30 September 2013

Please find attached the Quarterly Activities Report and Appendix 5B for the period ended 30 September 2013.

Yours faithfully  
Cape Lambert Resources Limited

Tony Sage  
**Executive Chairman**

Cape Lambert is an Australian domiciled, mineral investment company. Its current investment portfolio is geographically diverse and consists of mineral assets and interests in mining and exploration companies.

The Company continues to focus on investment in early stage resource projects and companies, primarily in iron ore, copper and gold. Its "hands on" approach is geared to add value and position assets for development and/or sale.

The Board and management exhibit a strong track record of delivering shareholder value.

### Australian Securities Exchange Code: CFE

Ordinary shares  
676,191,942

Unlisted Options  
10,765,000 (\$0.29 exp 22 Nov 2013)

### Board of Directors

Tony Sage	Executive Chairman
Tim Turner	Non-executive Director
Brian Maher	Non-executive Director
Ross Levin	Non-executive Director

Claire Tolcon  
Company Secretary

### Key Projects and Interests

Marampa Iron Ore Project  
Pinnacle Group Assets

### Cape Lambert Contact

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## HIGHLIGHTS

### **Corporate**

- At 30 September 2013, the Company had approximately A\$20.71 million in cash at bank.
- The Company completed the sale of Cape Lambert Leichhardt Pty Ltd, the holder of the Leichhardt Copper Project in Queensland for A\$14.75 million plus transitional funding from 1 May 2013 until sale completion. An additional A\$5.6 million, being for environmental and cash bonds is due for release to the Company in the December 2013 quarter.
- Metallurgical Corporation of China Limited ("MCC") were ordered by the arbitrator to pay the disputed amount of A\$80 million into an escrow account in the joint names of the Company and MCC pending the determination of the substantive dispute.

### **Projects**

#### ***Marampa Iron Ore Project***

- Large Scale Mining Licence application finalised and will be lodged with the authorities in the December 2013 quarter.

## CORPORATE

### **Strategy and Business Model**

Cape Lambert Resources Limited (“Cape Lambert” or the “Company”) (**ASX: CFE**) is an Australian domiciled, resources and investment company with interests in a number of resource projects and companies.

Through strategic acquisitions and subscriptions to convertible notes the Company has exposure to iron ore, copper, gold, uranium and phosphate assets in Australia, Greece, Africa and South America (refer Figure 1).

The Company’s strategy is to acquire and invest in undervalued and/or distressed mineral assets and companies (“Assets”), and to add value to those Assets through a hands on approach to management, exploration and evaluation. This will enable the Assets to be converted into cash at a multiple and to retain exposure to the Assets through a production royalty and/or equity interest. As Assets are converted into cash, the Company intends to follow a policy of distributing surplus cash to Shareholders.

### **Capital Management**

#### ***On Market Buy-Back***

During the quarter, the Company continued with its on market share buy-back of up to 10% of the Company’s fully paid ordinary shares (“Shares”) within the 12 months from 18 December 2012 (refer ASX Announcement dated 18 December 2012). Shares bought back by the Company are subsequently cancelled.

Canaccord Genuity (Australia) Limited has been appointed by the Company to act as broker to the on market share buy-back.

During the quarter, the Company bought back 3,750,000 Shares for total consideration of A\$557,440.87. As at 29 October 2013, there are 55,511,856 Shares remaining that may be bought back under this facility.

### **Asset Divestment**

#### ***Leichhardt Copper Project***

During the quarter, the Company completed the sale of its wholly owned subsidiary Cape Lambert Leichhardt Pty Ltd, the holder of the Leichhardt Copper Project (“Leichhardt Project”) (“Transaction”).

Pursuant to the terms of the Transaction, the Company received a total consideration of A\$14.75 million plus costs incurred in operating the Leichhardt Project from 1 May 2013 until completion of the Transaction. Additionally, the Company will have A\$5.6 million of environmental and cash bonds relating to the Leichhardt Project returned to it in the December 2013 quarter.

The Company has agreed to provide transitional management services for approximately 4 months, post completion of the Transaction. The transitional management requirement is expected to end late in the December 2013 quarter. The costs for these management services are re-charged to the new owner.

## **Legal Action and Disputes**

### ***ATO Notice of Amended Tax Assessment and Associated Penalty Notice***

The dispute with the Australian Taxation office, as reported in detail in previous Quarterly Reports, remains with nothing substantive further to report at this time.

### ***MCC Legal Action***

On 8 September 2010, Cape Lambert announced that it had commenced legal action against MCC Australia Sanjin Mining Pty Ltd ("MCC Sanjin"), and its parent company Metallurgical Corporation of China Limited (collectively "MCC") to recover the final A\$80 million payment from the sale of the Cape Lambert magnetite project in mid-2008 pursuant to an agreement between the parties ("MCC Agreement"). In accordance with the terms of the MCC Agreement, Cape Lambert received payments totalling A\$320 million in 2008, with the final payment due on the grant of mining approvals, or if MCC has not used its reasonable endeavours to procure the mining approvals within two years.

Legal proceedings were instigated in the Supreme Court of Western Australia after discussions between MCC and Cape Lambert to resolve the non-payment proved unsuccessful.

In August 2012, the Court made orders, inter alia, for the dispute to be determined by an arbitrator in Singapore and for the Company to propose (such proposal to be consented to by the MCC parties) that the dispute between the Company and MCC China (in respect to the payment of A\$80 million into an escrow account pending determination of the primary dispute) be heard and determined by the arbitrator prior to the hearing of the disputes between the Company and MCC Sanjin.

During the quarter the arbitrator ordered that MCC China pay the disputed amount of A\$80 million into an escrow account in the joint names of the Company and MCC pending the determination of the substantive dispute. Subsequent to the order made by the arbitrator, the appointed escrow agent advised that they were unable to open the account and resigned from their appointment. The Company has taken immediate steps to identify a replacement escrow agent. Upon this appointment, the replacement escrow agent will be asked to take steps to open the escrow account and require that MCC deposit the sum of A\$80 million into the account.

## PROJECTS

### **Marampa (100% interest)**

Marampa is an iron ore project at development and permitting stage, and is located 90 km northeast of Freetown, Sierra Leone, West Africa ("Marampa" or "Marampa Project") (refer Figure 2). Marampa comprises two granted exploration licences (EL46A/2011 – 239.18 km<sup>2</sup> and EL46B/2011 – 66.00 km<sup>2</sup> (formerly EL46/2011 – 305.18 km<sup>2</sup>)) held by Marampa Iron Ore (SL) Limited, which is indirectly, a wholly owned subsidiary of Cape Lambert.

Marampa has a total JORC Mineral Resource of 681 million tonnes ("Mt") at 28.2% Fe (above a cut-off grade of 15% Fe) covering four deposits (Gafal, Matukia, Mafuri and Rotret) (refer ASX Announcement 7 July 2011).

An Infrastructure Agreement with African Minerals Limited (AIM: AML) ("AML" or "African Minerals") (and their subsidiaries) provides Marampa with access rights to export 2 Mwtpa (wet - equivalent to 1.8 Mwtpa dry) of concentrate via the recently refurbished and currently operational Pepel rail and port infrastructure (refer ASX Announcement 16 April 2012). Additionally, AML has an option to purchase 2Mwtpa of Marampa concentrate at mine gate for the first 3 years of production.

### ***Exploration***

No further exploration activities occurred on the Marampa Project during the quarter. Backfilling of exploration pits opened in the Robelor area was completed.

### ***Sample Dispatch***

A total of 10 samples were collected from exploration pits opened at the Robelor Prospect. All were prepared at the onsite laboratory and dispatched to Ultratrace in Perth for assaying.

A proposal to utilise an African based laboratory for assaying instead of shipping samples to Perth is being investigated.

### ***Assays Received***

Results from assays received are provided in Table 1. Significant assays returned during the quarter were all from pit sampling (vertical channel samples) at the Robelor prospect and include:

- MPPT052: 2.6 m @ 36.2% Fe
- MPPT055: 2.9 m @ 35.3% Fe
- MPPT056: 2.5 m @ 36.0% Fe

### ***Topographic Surveying***

Topographic surveying over the proposed tailing storage facilities was completed and surveying has moved to cover the proposed process plant site.

### ***Rail and Port Agreement with African Minerals Limited***

In December 2012, African Minerals Limited ("AML") announced that it would no longer be building a port at Tagrin, but rather expanding its existing Pepel infrastructure. As a result of

this, a revision to the binding infrastructure agreement between the Company's wholly owned subsidiaries Marampa Iron Ore (SL) Limited, Marampa Iron Ore Limited and AML together with its majority owned subsidiary African Railway & Port Services (SL) Limited (refer ASX Announcement 16 April 2012) was necessary and is now in the final stages of negotiation.

### ***Mining Licence***

Marampa finalised its Large Scale Mining Licence application late in the quarter, and expects to lodge this with the National Minerals Authority in the December 2013 quarter.

### **Dempsey Resources (100% interest)**

Dempsey Resources holds the Kukuna Iron Ore Project located in Sierra Leone ("Kukuna Project" or "Kukuna").

The Project is located 120 km northeast of Freetown in the northwest of Sierra Leone and consists of one exploration licence (EL22/2012) covering 68 km<sup>2</sup> (refer Figure 2). The licence is located 70 km due north of the Marampa Project and the Pepel Infrastructure and comprises rocks that correlate with the Marampa Group stratigraphy known to host specular hematite mineralisation.

### ***Exploration***

No exploration activities occurred during the quarter. Work commenced on making the existing open trenches safe.

### ***Tenement Status***

An application for the second renewal of EL22/2012 (the Kukuna licence) was prepared and submitted to the Ministry of Mineral Resources and approval is awaited.

### **Pinnacle (100% interest)**

Pinnacle holds the Sandenia Iron Ore Project ("Sandenia Project" or "Sandenia") located 290 km east of Conakry in the central south of the Republic of Guinea. The Project is comprised of a single tenement (A2013/110/DGMI/CMPD) covering approximately 298 km<sup>2</sup> following a recent tenement reduction in size by 51% in accordance with statutory requirements. The Sandenia permit contains Banded Iron Formation ("BIF") prospective for iron mineralisation, similar to that hosting the 6.16 Bt Kalia deposit owned by Bellzone Mining plc located on the contiguous permit to the north.

### ***Exploration***

Field mapping and sampling to investigate potential hosts for gold mineralisation alongside iron mineralisation continued throughout the quarter as weather permitted. Access was limited to many of the target sites due to excessive rainfall during the period.

**Sample Dispatch**

There are 117 samples awaiting multi element (including gold) analysis (ICP-MS). Once all samples have been processed through the in-house sample preparation facility at Lunsar, they will be dispatched for assay.

**Tenement Status**

The tenement licence renewal was received during the quarter.

**Metal Exploration Limited (100% interest)**

Metal Exploration (Mauritius) Limited, a wholly owned subsidiary of Cape Lambert, holds 17 granted exploration licences and 1 application in Sierra Leone covering approximately 2,386 km<sup>2</sup>. This land package covers the region 70 km to the north and south of Marampa and is referred to as the Rokel Iron Ore Project ("Rokel" or "Rokel Project"). Rocks from the Marampa Group ("Rokotolon Formation") exist throughout the licences, much the same as the Marampa Project and are known to host specularite schist bearing units.

The Rokel Project is prospective for discovery of hematite schist deposits geologically similar to those at Marampa and is located proximal to the existing Pepel Infrastructure (refer Figure 2). Regional mapping and geophysics has identified a number of prospective areas which are progressively being followed up with targeted exploration.

**Exploration**

Exploration was focused on tenements in the south east of the group (refer Figure 3) targeting mineralisation expected to be associated with an interpreted thrust fault contact between basement granite and gneiss units, and the Marampa Group. As the majority of activity has been in this area, and to facilitate future exploration, a field office has been set up in the vicinity at Mile 91, approximately 45 km as the crow flies south east of Lunsar.

Mapping and rock chip sampling was ongoing and is commented on by prospect (where active) below.

***Magbosi Prospect (EL23/2011)***

A geological map has been prepared consolidating the identified lithologies from mapping activities to date and the location of rock chip samples that have been collected. A total of 38 samples were collected from quartz veins and submitted to Ultratrace in Perth for gold and multi element analysis and a further 6 samples were collected and sent for iron analysis.

***Mawanka Prospect (EL21/2011)***

Reconnaissance mapping was undertaken targeting iron hosted lithologies. Significant outcrop and float of specular hematite schist ("SQS") was observed and a geological map has been compiled (refer Figure 4).



## **Sampling**

A total of 129 samples from the Rokel group were prepared through the in house sample preparation facility in Lunsar and dispatched to Ultratrace in Perth for analysis. Some samples were submitted for gold and multi element analysis and some were for iron analysis.

## **Significant Assays**

A total of 120 assays from various Rokel prospects were received during the quarter with the significant assays listed below. No significant gold results were recorded. A complete table of assays received is included in Tables 2 and 3.

- Lankono Pit LAPT002: 1.1 m @ 35.8% Fe
- Lankono Pit LAPT006: 1.5 m @ 33.2% Fe
- Lankono Pit LAPT010: 1.0 m @ 30.9% Fe
- Lankono Pit LAPT011B: 0.8 m @ 30.7% Fe
- Lankono rock chip LAGR001: 41.9% Fe
- Lankono rock chip LAGR004: 50.1% Fe
- Lankono rock chip LAGR005: 40.2% Fe
- Magbosi rock chip MBGR001: 40.6% Fe
- Magbosi rock chip MBGR002: 45.6% Fe
- Magbosi rock chip MBGR003: 43.9% Fe
- Magbosi rock chip MBGR004: 42.3% Fe

## **Tenement Status**

An application for a new exploration licence (Sumbuya) has been submitted to the Ministry of Mineral Resources covering the area between Yaya and Kambia East currently not held (refer Figure 3).

## **Australis Exploration Limited (100% interest) ("Australis")**

Australis holds a portfolio of mineral rights, tenements and subsidiaries which presently comprise:

- Four granted Exploration Licences totalling approximately 1,465 km<sup>2</sup> in the east of the Northern Territory, considered prospective for rock phosphate;
- Three granted Exploration Permit Minerals ("EPM") in North Queensland over 1,903 km<sup>2</sup>, prospective for rock phosphate mineralisation; and
- 100% of Mojo Mining Pty Ltd, ("Mojo Project" or "Mojo"), which holds 10 granted EPM's (8 under application for renewal) totalling approximately 838 km<sup>2</sup>, centred on the township of Boulia, Queensland and prospective for large Mt Isa style base metal mineralisation beneath cover sediment.

Company management has elected to relinquish all Mojo tenements and all Australis tenements in Queensland and the Northern Territory (except 1 sub-block in Queensland



which is under application). Relinquishment reports for all tenements will be completed during the December 2013 quarter.

### **Mt Anketell Pty Ltd (100% interest)**

Mt Anketell Pty Ltd is a wholly owned subsidiary of Cape Lambert. The company holds a single exploration licence (E47/1493) covering 56.9 km<sup>2</sup> in the northern Pilbara region of Western Australia, which is prospective for niche iron and gold mineralisation associated with the Nickol River precinct. The company has recently received a 2 year extension of the licence term.

Based on significant geochemical gold results identified on surrounding tenements and projected strike extensions of the source lithology into the Mt Anketell ground, a proposal was submitted to the Department of Mines and Petroleum to conduct auger geochemical sampling over the Nickol River prospect. Ministerial consent has recently been granted and the company is awaiting receipt of formal POW approval.

#### **Competent Person:**

*The contents of this Report relating to Exploration Results are based on information compiled by Dennis Kruger, a Member of the Australasian Institute of Mining and Metallurgy. Mr Kruger is a consultant to Cape Lambert and has sufficient experience relevant to the style of mineralisation and the deposit under consideration and to the activity he is undertaking to qualify as a Competent Person, as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Kruger consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.*

#### **Competent Person:**

*The contents of this Report relating to Mineral Resources and Ore Reserves 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 and has sufficient experience relevant to the style of mineralisation and the deposit under consideration and to the activity he is undertaking to qualify as a Competent Person, as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Frederickson consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.*

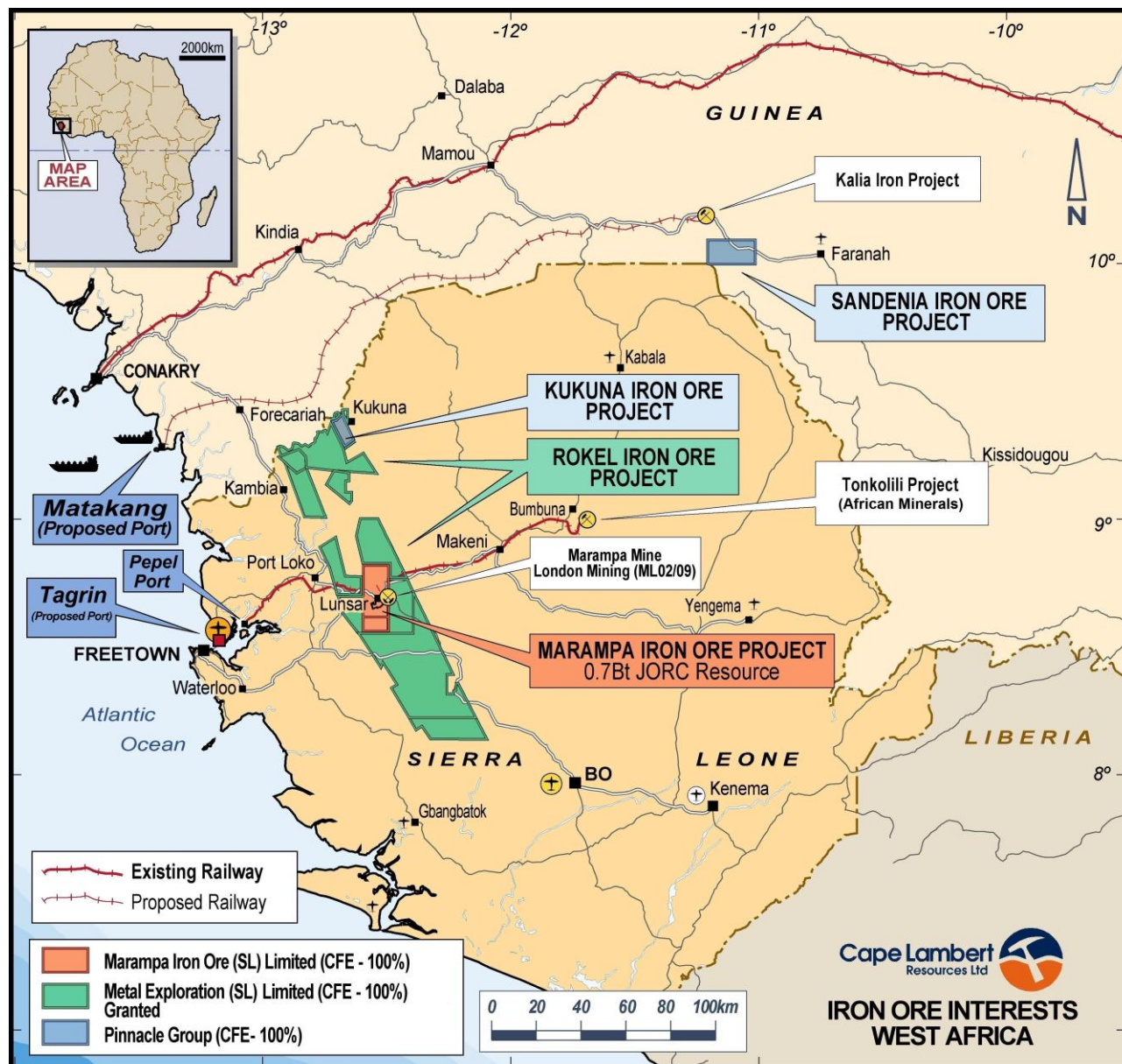
**Figure 1: Group Structure October 2013**



\* Converting note announced on 15 July 2013

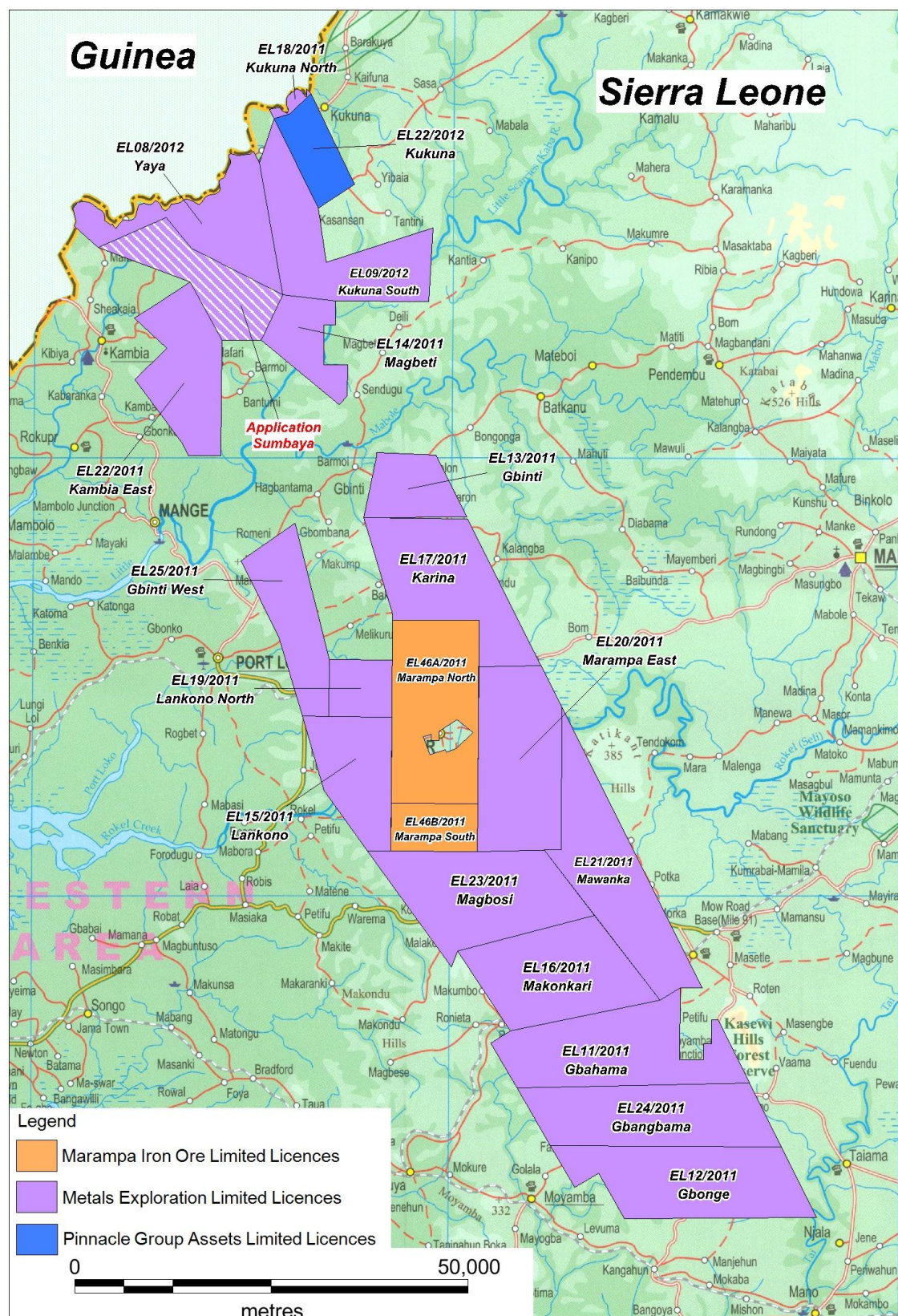
\*\* Convertible note announced on 24 September 2013

**Figure 2: Cape Lambert West African Iron Ore Interests**





**Figure 3: Location Map of Rokel Prospects**





[illegible]

**Table 1: Robelor Pit Sample Results**

Hole ID	Prospect	Sample Details						Intersection		Head Assay					
		Easting	Northing	RL	Dip	Azimuth	E.O.H	From	To	Fe	Al2O3	SiO2	P	S	LOI
		WGS84 Zone 28N			Degrees		m	m	m	%	%	%	%	%	%
MPPT051	Robelor	775774	974093	69	-90	0	3.2	0	0.5	25.9	11.5	41.6	0.03	0.03	7.6
								0.5	3.2	31.9	11.1	35.5	0.03	0.02	5.6
MPPT052	Robelor	776030	973593	75	-90	0	2.6	0	2.6	36.2	10.2	30.1	0.04	0.02	5.7
								0	2.7	24.2	14.8	40.7	0.03	0.03	7.8
MPPT053	Robelor	776847	969998	68	-90	0	3.2	2.7	3.2	20.8	14.5	46.6	0.03	0.02	6.9
								0	1.9	11.2	12.8	62.2	0.03	0.02	7.1
MPPT055	Robelor	775474	974504	65	-90	0	2.9	0	0.7	34.0	9.2	33.7	0.09	0.02	6.4
								0.7	2.9	36.6	9.7	30.4	0.06	0.02	5.2
MPPT056	Robelor	775220	974916	75	-90	0	2.5	0	0.4	32.5	7.9	37.6	0.06	0.03	6.7
								0.4	2.5	39.6	9.5	26.3	0.03	0.02	5.5

Lower cut-off 15% Fe,  
Hole collars surveyed by DGPS,  
Chemical analysis by X-Ray Fluorescence Spectrometry (XRF) by Ultra Trace Limited at Canning Vale Laboratory, Perth Australia.

**Table 2: Rokel Pit and Trench Results – Part A**

Hole_ID	Prospect	Sample Details						Intersection		Head Assay					
		Easting	Northing	RL	Dip	Azi	EOH	From	To	Fe	Al2O3	SiO2	P	S	LOI
		WGS84 Zone 28N		m	Degrees		m	m	m	%	%	%	%	%	%
LAPT002	Lankono	765621	958355	55	-90	0	1.1	0	1.1	35.8	6.5	36.8	0.02	0.02	4.3
LAPT003	Lankono	765903	959350	55	-90	0	3	0	2.1	28.3	11.2	40.4	0.03	0.02	5.9
								2.1	3	16.5	16.0	50.3	0.02	0.02	6.9
LAPT004	Lankono	765765	958077	69	-90	0	3	0	1.9	22.2	15.4	42.2	0.05	0.05	8.8
								1.9	3	9.9	18.4	56.9	0.03	0.03	7.6
LAPT005	Lankono	765838	959260	52	-90	0	3	0	2	19.8	16.2	46.2	0.03	0.03	8.3
								2	3	32.3	8.4	40.3	0.04	0.01	4.3
LAPT006	Lankono	765938	959370	48	-90	0	1.6	0	1	22.9	11.6	46.9	0.04	0.04	7.4
								1	1.5	43.5	7.9	23.3	0.04	0.03	5.6
LAPT007	Lankono	765606	958445	47	-90	0	2.5	0	1.6	3.3	10.8	78.3	0.01	0.01	5.0
								1.6	2.5	9.8	14.8	62.7	0.01	0.02	6.8
LAPT008	Lankono	765710	958034	51	-90	0	3	0	2	17.2	16.4	48.3	0.03	0.05	8.6
								2	3	4.3	20.1	62.9	0.01	0.01	6.8
LAPT009	Lankono	765623	957958	51	-90	0	3	0	0.7	25.5	13.2	40.9	0.03	0.04	7.5
								0.7	2.5	25.4	11.2	46.0	0.01	0.02	4.7
								2.5	3	7.5	15.0	66.5	0.02	0.02	5.7
LAPT009A	Lankono	765620	957960	48	-90	0	3	0	1.3	25.9	11.2	44.4	0.02	0.03	5.6
								1.3	3	27.9	9.5	44.6	0.01	0.02	3.5
LAPT010	Lankono	765786	958079	60	-90	0	1.5	0	0.5	24.1	10.1	46.1	0.08	0.04	7.5
								0.5	1	37.8	9.8	26.7	0.08	0.05	5.8
LAPT011	Lankono	765206	958003	43	-90	0	3.01	0	0.3	11.2	12.2	64.0	0.02	0.02	6.5
								0.3	1.5	27.9	9.6	44.6	0.02	0.02	4.9
								3	3.01	42.2	4.0	29.5	0.04	0.02	2.6
LAPT011A	Lankono	765210	958007	48	-90	0	3	0	1.3	22.2	11.0	50.7	0.02	0.02	5.5
								1.3	2.3	33.4	8.3	38.6	0.02	0.01	4.1
								2.3	3	14.1	12.0	60.4	0.02	0.01	5.3
LAPT011B	Lankono	765205	958003	48	-90	0	3	0	0.7	12.3	12.2	62.8	0.02	0.02	6.1
								0.7	1.5	30.7	8.4	39.9	0.03	0.02	5.0



**Table 2: Rokel Pit and Trench Results – Part B**

Hole_ID	Prospect	Sample Details						Intersection		Head Assay					
		Easting	Northing	RL	Dip	Azi	EOH	From	To	Fe	Al2O3	SiO2	P	S	LOI
		WGS84 Zone 28N		m	Degrees		m	m	m	%	%	%	%	%	%
LAPT012	Lankono	765623	957801	60	-90	0	3	0	0.4	25.6	10.3	45.3	0.05	0.03	5.8
								0.4	1.9	29.7	10.0	40.6	0.05	0.01	3.9
								1.9	3	26.2	8.4	47.4	0.12	0.00	2.9
LAPT013	Lankono	765354	958180	67	-90	0	0.7	0	0.7	22.1	13.1	45.1	0.06	0.05	8.9
LAPT014	Lankono	765333	958161	57	-90	0	3	0	0.6	14.9	12.3	56.9	0.03	0.02	8.0
								0.6	1.2	28.6	11.5	40.0	0.02	0.02	6.1
								1.2	3	7.7	18.1	61.5	0.02	0.01	6.8
LAPT015	Lankono	765228	958004	46	-90	0	2.7	0	1.2	8.7	13.1	66.2	0.03	0.02	6.8
								1.2	2.7	4.0	17.2	67.2	0.02	0.01	6.8
LAPT016	Lankono	765353	958164	63	-90	0	2.4	0	2	3.7	10.3	77.7	0.02	0.01	5.2
KAPT024	Karina	771600	977428	71	-90	0	2.6	0	0.7	26.1	9.3	45.0	0.03	0.02	6.6
								0.7	2.6	24.3	15.1	40.3	0.02	0.02	7.3
KAPT025	Karina	771600	977378	67	-90	0	3	0	1.8	21.2	16.2	42.4	0.03	0.03	8.6
								1.8	2.6	16.2	19.2	46.2	0.02	0.02	7.7
KAPT026	Karina	777100	971995	76	-90	0	2	0	2	36.8	11.4	27.7	0.02	0.02	6.3
KAPT027	Karina	777531	971200	74	-90	0	3.1	0	3.1	18.5	17.1	45.9	0.02	0.02	7.3
KAPT028	Karina	774773	975597	72	-90	0	2.7	0	1.4	23.9	12.6	44.4	0.02	0.02	6.7
								1.4	2.7	27.8	11.6	40.8	0.01	0.01	4.8
KAPT029	Karina	773545	976410	71	-90	0	3	0	1.4	23.3	11.5	46.2	0.05	0.02	7.4
								1.4	2.7	16.4	19.0	45.6	0.04	0.02	7.3
KAPTV001	Karina	770879	977485	72	-90	0	3	0	2	38.2	10.8	26.1	0.06	0.03	7.2
								2	3	17.8	15.9	48.6	0.05	0.03	6.8

**Table 2: Rokel Pit and Trench Results – Part C**

Hole_ID	Prospect	Sample Details						Intersection		Head Assay					
		Easting	Northing	RL	Dip	Azi	EOH	From	To	Fe	Al2O3	SiO2	P	S	LOI
		WGS84 Zone 28N		m	Degrees		m	m	m	%	%	%	%	%	%
KATR001	Karina	770869	977485	72	0	90	44.5	0	2	14.1	18.1	50.2	0.03	0.02	6.3
								2	4	12.1	19.3	51.8	0.02	0.02	6.3
								4	6	11.8	18.2	54.6	0.02	0.03	6.8
								6	8	16.5	18.9	46.4	0.03	0.03	7.3
								8	10	14.6	18.7	49.8	0.05	0.03	7.5
								10	12	14.1	16.0	54.4	0.02	0.03	6.5
								12	14	13.5	14.4	57.9	0.02	0.03	5.8
								14	16	12.3	18.2	53.9	0.02	0.03	6.9
								16	18	11.9	18.6	53.8	0.02	0.03	6.8
								18	20	12.8	17.0	55.2	0.02	0.03	6.6
								20	22	16.4	17.6	48.5	0.03	0.03	6.7
								22	24	17.8	16.4	47.4	0.03	0.04	6.7
								24	26	18.8	17.3	45.3	0.03	0.04	7.8
								26	28	18.0	17.8	45.3	0.03	0.04	7.6
								28	30	22.4	16.5	41.1	0.04	0.05	8.4
								30	32	25.9	15.1	35.7	0.23	0.05	8.8
								32	34	18.6	16.9	45.1	0.03	0.04	6.7
								34	36	15.7	18.0	48.2	0.03	0.03	6.6
								36	38	21.0	15.5	43.6	0.10	0.05	7.6
								38	40	22.1	11.2	47.9	0.20	0.05	7.2
								40	42	30.6	13.1	32.8	0.19	0.04	7.9
								42	44.5	23.3	13.3	43.9	0.07	0.03	7.1

Lower cut-off 15% Fe,  
Hole collars surveyed by DGPS,  
Chemical analysis by X-Ray Fluorescence Spectrometry (XRF) by Ultra Trace Limited at Canning Vale Laboratory, Perth Australia.

**Table 3: Rokel Rock Chip Grab Sample Results – Part A**

Sample	Prospect	Northing	Easting	RL	Fe	Al2O3	SiO2	P	S	LOI	MgO	TiO2	MnO	CaO	K2O	Au	Ni	Pb	Cu	As	Cr
		WGS84 Zone 28N			m	%	%	%	%	%	%	%	%	%	%	ppm	ppm	ppm	ppm	ppm	ppm
LAGR004	Lankono	958185	765354	60	50.1	6.0	16.7	0.073	0.019	4.8	0.04	0.29	0.09	0.02	0.05						
LAGR005	Lankono	958232	765401	74	40.2	7.5	28.8	0.041	0.023	5.1	0.08	0.26	0.03	0.02	0.11						
LAGR006	Lankono	958232	765401	74	38.1	7.7	31.6	0.034	0.023	5.3	0.07	0.27	0.03	0.02	0.14						
LAGR007	Lankono	950777	765765	69	32.6	10.6	34.3	0.078	0.038	7.1	0.16	0.32	0.04	0.02	0.42						
MBGR001	Magbosi	934982	771740	63	40.6	0.9	37.0	0.068	0.009	3.5	0.03	0.11	0.03	-0.01	0.01						
MBGR002	Magbosi	935000	771719	63	45.6	3.9	27.3	0.041	0.012	2.8	0.02	0.55	0.07	0.01	0.01						
MBGR003	Magbosi	935005	771700	66	43.9	0.7	35.5	0.041	0.004	0.8	0.03	0.10	0.02	-0.01	0.00						
MBGR004	Magbosi	934979	771745	60	42.3	1.1	34.1	0.035	0.008	3.5	0.03	0.16	0.03	0.02	0.01						
MBGR005	Magbosi	938188	769696	53	9.8	14.2	49.3	0.054	0.008	2.3	6.85	1.31	0.20	8.86	0.52						
MBGR006	Magbosi	943220	765814	40	29.8	0.7	49.7	0.104	0.012	1.1	2.02	0.03	0.06	1.21	0.59						
MBGR007	Magbosi	942418	772367	53	3.8			0.13	0.03							-0.001	50	3	34	0.2	20
MBGR008	Magbosi	944710	773077	57	0.8			0.002	0.005							0.003	22	-1	2	0.2	30
MBGR009	Magbosi	943567	774766	48	1.0			0.016	0.01							-0.001	20	2	5	0.4	25
MBGR010	Magbosi	943372	774470	57	2.3			0.064	0.01							0.001	41	5	18	0.2	30
MBGR011	Magbosi	942310	774226	51	3.5			0.004	0.005							-0.001	1210	-1	16	1.6	1170
MBGR012	Magbosi	937862	787164	91	4.1			0.052	0.09							0.001	80	3	134	1	25
MBGR013	Magbosi	937881	775394	62	0.4			0.008	0.005							-0.001	17	14	4	-0.2	10
MBGR014	Magbosi	935538	780797	62	1.7			0.1	0.025							-0.001	17	3	33	-0.2	15
MBGR015	Magbosi	936638	780597	65	1.3			0.032	0.005							-0.001	10	4	6	-0.2	20
MBGR016	Magbosi	935510	781180	69	2.8			0.084	0.005							-0.001	47	2	13	-0.2	50

**Table 3: Rokel Rock Chip Grab Sample Results – Part B**

Sample	Prospect	Northing	Easting	RL	Fe	Al2O3	SiO2	P	S	LOI	MgO	TiO2	MnO	CaO	K2O	Au	Ni	Pb	Cu	As	Cr
		WGS84 Zone 28N		m	%	%	%	%	%	%	%	%	%	%	%	%	ppm	ppm	ppm	ppm	ppm
MBGR017	Magbosi	938361	786271	80	1.7			0.022	0.005							-0.001	11	7	16	-0.2	10
MBGR018	Magbosi	938548	773600	51	2.7			0.06	0.06							-0.001	33	4	42	-0.2	25
MBGR019	Magbosi	941528	768095	67	0.7			0.012	0.005							0.005	20	-1	4	-0.2	35
MBGR020	Magbosi	941460	768180	47	1.8			0.044	0.02							-0.001	14	1	32	-0.2	10
MBGR021	Magbosi	942705	766879	64	1.5			0.038	0.015							-0.001	13	-1	13	-0.2	15
MBGR022	Magbosi	944218	767987	57	1.5			0.03	0.01							-0.001	12	1	8	-0.2	20
MBGR023	Magbosi	941440	777995	59	3.9			0.092	0.055							-0.001	22	2	18	-0.2	25
MBGR024	Magbosi	942784	781370	57	0.4			0.026	-							-0.001	5	31	2	-0.2	5
MBGR025	Magbosi	942784	781363	69	0.6			0.006	0.005							-0.001	2	9	2	-0.2	15
MBGR026	Magbosi	937474	786843	89	0.7			0.04	0.005							0.001	7	13	3	-0.2	10
MBGR027	Magbosi	957497	786780	93	3.6			0.07	0.11							-0.001	28	-1	72	0.2	20
MBGR028	Magbosi	942696	766862	64	2.3			0.046	0.015							-0.001	20	2	10	0.2	15
MBGR029	Magbosi	942754	784617	66	0.7			0.01	0.005							0.001	6	23	7	-0.2	10
MBGR030	Magbosi	934064	777458	62	1.4			0.046	0.005							-0.001	5	37	4	0.4	10
MBGR031	Magbosi	934082	777468	62	1.4			0.056	0.005							0.001	6	33	7	0.2	5
MBGR032	Magbosi	942070	777116	60	3.1			0.136	0.025							-0.001	28	4	20	-0.2	15
MBGR033	Magbosi	941970	777175	62	1.6			0.078	0.015							-0.001	15	3	10	-0.2	10
MBGR034	Magbosi	942240	785923	69	0.9			0.014	0.01							-0.001	16	6	10	-0.2	10
MBGR035	Magbosi	944690	775903	58	1.2			0.012	0.005							0.001	11	15	2	0.2	5
MBGR036	Magbosi	944971	776256	133	12.1			0.018	0.02							-0.001	5	5	77	0.4	25
MBGR037	Magbosi	943495	775294	49	0.8			-	0.005							-0.001	3	1	2	0.2	10
MBGR038	Magbosi	943502	775770	50	0.8			0.01	0.005							-0.001	8	9	2	0.2	5
MBGR039	Magbosi	943488	775805	54	1.5			0.04	0.005							-0.001	7	9	27	0.2	5
MBGR040	Magbosi	943982	776396	60	3.2			0.044	0.07							0.003	70	2	121	0.8	25
MBGR041	Magbosi	942046	776149	59	0.8			0.014	0.015							0.001	20	8	28	0.2	20
MBGR042	Magbosi	942033	776149	54	0.8			0.016	0.02							-0.001	4	7	5	0.2	5
MBGR043	Magbosi	942050	776136	55	0.8			0.01	0.005							-0.001	11	4	7	-0.2	10
MBGR044	Magbosi	942246	785901	70	0.8			0.016	0.01							-0.001	12	18	3	-0.2	10

Hole collars surveyed by DGPS

Chemical analysis by X-Ray Fluorescence Spectrometry (XRF) and ICP-MS by Ultra Trace Limited at Canning Vale Laboratory, Perth Australia.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Cape Lambert Resources Limited

ABN

71 095 047 920

Quarter ended ("current quarter")

30 September 2013

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(2,765)	(2,765)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(1,748)	(1,748)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	284	284
1.5	Interest and other costs of finance paid	(27)	(27)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	123	123
	<b>Net Operating Cash Flows</b>	<b>(4,133)</b>	<b>(4,133)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(582)	(582)
	(c) other fixed assets	(28)	(28)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
	(d) controlled entity	11,504	11,504
1.10	Loans to other entities	(2,216)	(2,216)
1.11	Loans repaid by other entities	500	500
1.12	Other: Cash backing security for performance / other bonds & bank guarantees released	8	8
	Other: Payment of transaction related and business development costs	(818)	(818)
	<b>Net investing cash flows</b>	<b>8,368</b>	<b>8,368</b>
1.13	<b>Total operating and investing cash flows (carried forward)</b>	<b>4,235</b>	<b>4,235</b>

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

<b>1.13</b>	<b>Total operating and investing cash flows (brought forward)</b>	<b>4,235</b>	<b>4,235</b>
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other: On-market buy back	(557)	(557)
	<b>Net financing cash flows</b>	<b>(557)</b>	<b>(557)</b>
	<b>Net increase (decrease) in cash held</b>	<b>3,678</b>	<b>3,678</b>
1.20	Cash at beginning of quarter/year to date	17,034	17,034
1.21	Exchange rate adjustments to item 1.20	(5)	(5)
1.22	<b>Cash at end of quarter</b>	<b>20,706</b>	<b>20,706</b>

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	214
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

\$214,000 (excluding GST) payment of executive and non-executive director fees.

### Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

### **Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1    Loan facilities	-	-
3.2    Credit standby arrangements	-	-

### **Estimated cash outflows for next quarter**

	\$A'000
4.1    Exploration and evaluation	3,340
4.2    Development	-
4.3    Production	-
4.4    Administration	1,628
<b>Total</b>	<b>4,968</b>

### **Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1    Cash on hand and at bank	706	4,034
5.2    Deposits at call	20,000	13,000
5.3    Bank overdraft	-	-
5.4    Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>20,706</b>	<b>17,034</b>

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+ See chapter 19 for defined terms.



## Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	<u>Cape Lambert Leichhardt Pty Ltd</u>		
	EPM9867	Sold	100%	-
	EPM11025	Sold	100%	-
	EPM11090	Sold	100%	-
	EPM11387	Sold	100%	-
	EPM14282	Sold	100%	-
	EPM14622	Sold	100%	-
	EPM15005	Sold	100%	-
	EPM15251	Sold	100%	-
	EPM16991	Sold	100%	-
	EPM16998	Sold	100%	-
	EPM17688	Sold	100%	-
	EPM17903	Sold	100%	-
	EPM17905	Sold	100%	-
	EPM17908	Sold	100%	-
	EPM17912	Sold	100%	-
	EPM17916	Sold	100%	-
	MDL75	Sold	100%	-
	MDL76	Sold	100%	-
	MDL77	Sold	100%	-
	MDL78	Sold	100%	-
	MDL88	Sold	100%	-
	ML2492	Sold	100%	-
	ML2494	Sold	100%	-
	ML2514	Sold	100%	-
	ML2515	Sold	100%	-
	ML2635	Sold	100%	-
	ML2705	Sold	100%	-
	ML2706	Sold	100%	-
	ML2708	Sold	100%	-
	ML2715	Sold	100%	-
	ML2747	Sold	100%	-
	ML2748	Sold	100%	-
	ML7520	Sold	100%	-
	ML90066	Sold	100%	-
	ML90090	Sold	100%	-
	ML90091	Sold	100%	-
	ML90092	Sold	100%	-
	ML90101	Sold	100%	-
	ML90137	Sold	100%	-
	ML90141	Sold	100%	-
	ML90142	Sold	100%	-
	ML90154	Sold	100%	-
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A		

+ See chapter 19 for defined terms.

### Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> (description)	-	-		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>*Ordinary securities</b>	675,941,942	675,941,942		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- (3,750,000)	- (3,750,000)		
7.5	<b>*Convertible debt securities</b> (description)	-	-		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	10,765,000	10,765,000	Exercise price \$0.29	Expiry date 22 Nov 2013
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	-	-		
7.10	Expired during quarter	-	-		
7.11	<b>Debentures</b> (totals only)	-	-		

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+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

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7.12	<b>Unsecured notes</b> (totals only)	-	-
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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: .....  
(Company secretary)

Date: 30 October 2013

Print name: Claire Tolcon

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.