



Chameleon Mining NL

ABN 17 098 773 785

ASX ANNOUNCEMENT

10 August 2010

Chameleon Mining NL enters into strategic alliance with Cape Lambert Resources Ltd

The board of Chameleon Mining NL [ASX Code: CHM] today announced a strategic alliance with Cape Lambert Cape Lambert Resources Ltd [ASX Code: CFE]. The agreement follows completion of the due diligence undertaken by Cape Lambert.

The strategic alliance provides Chameleon with an injection of capital, operational funding and significant mining expertise. Cape Lambert, as a cornerstone investor in Chameleon brings with it a range of industry expertise that the board felt was required in the development of its mining activities.

Cape Lambert, which has no debt and had cash assets at 30 June 2010 in excess of \$130M, has built up a geographically diverse portfolio of mineral assets and interests in mining and exploration companies. The Cape Lambert group, through its synergies and various interests, has developed a broadly skilled and robust team.

Chameleon Chairman, Mr Ben Elias, said the alliance would create significant value for shareholders and assist the Company in the next phase of its growth.

“Cape Lambert’s experience in developing mining assets, along with its iron ore expertise, will be of particular benefit to the Chameleon board and shareholders,” Mr Elias said.

“The investment is an endorsement of Chameleon’s decision to take action in the Federal Court over the Jack Hills iron ore assets”.

Cape Lambert Executive Chairman, Tony Sage, said he was optimistic about the opportunities available to Chameleon and looked forward to contributing to the Company’s development.

Chameleon’s Federal Court Case against Murchison Metals Ltd & Ors

A decision remains pending in the Federal Court proceedings. Chameleon awaits the court’s decision and is hopeful of a positive outcome. The Company intends to refrain from comment until such time as the claim is resolved.

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Terms of Strategic Alliance

The key terms of Chameleon's strategic alliance with Cape Lambert are as follows:

- **Arrangement of a credit facility to provide Chameleon funding of up to Six Million Five Hundred Thousand Dollars (\$6,500,000).**

This facility will provide Chameleon with access to additional working capital. The company can now more actively pursue further mining opportunities as well as develop its existing exploration interests.

- **Cape Lambert is entitled to appoint to the Board of Chameleon a sufficient number of directors so as to constitute 50% of the Chameleon board.**

The Company is pleased to announce that Cape Lambert have nominated Mr Antony Sage, Mr Jason Bontempo and Mr Paul Kelly to take up those board positions.

Antony William Paul Sage BCom, FCPA, CA, FTIA

Mr Sage has in excess of 26 years experience in the fields of corporate advisory services, funds management and capital raising. He has, for the last 14 years, been involved in the management and financing of listed exploration mining companies all over the world.

Mr Sage is, or has been, a director of the following ASX listed entities; Cape Lambert Resources Limited, Fe Ltd, International Goldfields Limited, Global Iron Limited, Corvette Resources Limited, Cauldron Energy Limited, and Tianshan Goldfields Limited.

Jason Bontempo BCom.CA

Mr Bontempo is currently the managing director of Corvette Resources Ltd, an ASX listed Australian focused gold explorer. Mr. Bontempo holds 13 years experience in mineral resources corporate finance, investment banking and corporate advisory experience after qualifying as a chartered accountant with Ernst & Young in 1997. Mr. Bontempo is also a director of ASX listed Stirling Minerals Limited.

Paul Kelly

Mr Kelly brings more than 20 years worth of experience in the fields of finance, investment and banking to the Board.. He is currently a non-executive Chairman of DMC Mining Limited (ASX:DMM) and a non-executive director of Australian iron ore explorer, Fe Limited (ASX: FEL) and is the Chief Executive Officer of the Perth Glory Football Club. He is also a director of not-for-profit organisation, Football West Limited. Mr Kelly is the former non-executive Chairman of Tianshan Goldfields Limited and was previously employed by Members Equity Bank as National Manager of Advertising and Sponsorship and held a number of senior roles within the bank over a 15-year period .

These appointments will enhance the Chameleon Board by adding greater mining expertise and management.

Placement for \$2,500,000

The strategic alliance between the companies also includes a placement by Chameleon of 166,666,667 shares at 1.5c per share (*'Placement Shares'*) to raise \$2,500,000. The placement includes a three for five attaching option exercisable at 1.5c on or before 31 Dec 2012 (*'Placement Options'*) (the *'Placement'*).

The Placement will be taken up by:

- Cape Lambert who will subscribe for Placement Shares and Placement Options to the value of \$2,000,000;
- Tony Sage or his nominee who will subscribe for Placement Shares and Placement Options to the value of \$400,000; and
- Jason Bontempo or his nominee who will subscribe for Placement Shares and Placement Options to the value of \$100,000.

The issue of the Placement Shares, under ASX Listing Rule 7.1, is within the Company's 15% placement capacity.

The issue of the Placement Options, in accordance with ASX Listing Rule 7.1.5, is conditional on shareholder approval which will be sought at the Company's next shareholder's meeting.

Use of Proceeds

The proceeds of the Placement will be used to supplement Chameleon's working capital, its exploration activities, and its administrative and corporate commitments.

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