



Chameleon Mining NL

ABN 17 098 773 785

ASX ANNOUNCEMENT

3 March 2012

Cape Lambert Resources Limited to become major shareholder in Chameleon Board & Management Restructure

Highlights:

Chameleon Mining NL (ASX: CHM) (**Company** or **Chameleon**) advises that the Company has:

- agreed a settlement arrangement with Cape Lambert Resources Limited (ASX: CFE) (**Cape Lambert**) in relation to the strategic alliance agreement between the companies (**Alliance Agreement**) making Cape Lambert the largest stakeholder in Chameleon;
- restructured its Board and operational activities; and
- moved into the final stages of due diligence to acquire a major interest in a mining resource prospective for manganese.

Cape Lambert to increase stake in Chameleon

As announced on 10 August 2010, the parties entered into the Alliance Agreement pursuant to which Cape Lambert provided the Company with a \$6.5 million funding facility. In accordance with the terms of that agreement, Cape Lambert also subscribed for shares and options in the Company to the value of \$2,000,000.

Cape Lambert has elected to take up a placement of 40,000,000 Chameleon shares in lieu of a fee payable pursuant to the Alliance Agreement. Following the issue of the shares, Cape Lambert will be the largest shareholder in the Company holding 14.94% of the issued capital of Chameleon.

Cape Lambert's existing team of personnel will assist the Company in streamlining technical, financial, corporate and marketing activities to reduce costs, improve efficiencies and assess

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future acquisitions. The Company's head office and mining administration activities will be moved to Perth.

Board & Administrative Changes

At the request of Cape Lambert, as a result of Cape Lambert's increased interest in the Company, the Chameleon management team has been restructured to consist of a small number of key personnel to manage the Company going forward. The composition of the Board will change to reflect the new direction of the Company following the finalisation of the Murchison Metals Limited litigation.

In accordance with those changes, the Company advises that Anthony Karam, James Arkoudis and Jason Bontempo have resigned as Directors of the Company. Pip Leverington has been appointed Company Secretary to replace Mr Arkoudis.

Ben Elias (Chairman), Paul Kelly (Non-executive Director) will continue in their current roles with Tony Sage assuming the role of Executive Director.

The Board thanks Messrs Karam, Arkoudis and Bontempo for their assistance and efforts during their time with the Company and wish them well for the future. Messrs Karam and Arkoudis will continue to consult to the Company with respect to the finalisation of the Grimaldi inquiry and other pending legal matters.

Potential Acquisition of Major Interest in Manganese Project

As announced on 22 February 2012, following receipt of \$25 million from the settlement of the litigation with Murchison Metals Limited, the Company is now well positioned to consider new investment opportunities in particular the potential acquisition of a major interest in a mining resource prospective for manganese.

The Board considers this potential acquisition to be an exciting opportunity for the Company, and it intends to provide regular updates as to the status of the acquisition.

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