

Cape Lambert appoints Deutsche Bank AG to sell Mayoko royalty

Key points:

- **Global investment bank Deutsche Bank AG mandated to manage sale of royalty for Mayoko Iron Ore Project in Republic of Congo.**
- **Internal valuation on royalty for the Mayoko Project of between A\$55-114M.**
- **Subject to sale of royalty, Cape Lambert will consider a return to shareholders.**

Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) ("Cape Lambert" or the "Company") is pleased to advise it has mandated Deutsche Bank AG to sell its royalty rights in respect to the Mayoko Iron Ore Project, located in the Republic of Congo ("Mayoko Project") and its intention, subject to the sale of this royalty, is to consider paying a special dividend to shareholders.

The Mayoko royalty right was acquired by Cape Lambert as part consideration when it sold its 100% interest in the Mayoko Project to African Iron Limited in January 2011, which was subsequently taken over by Exxaro Resources Ltd in March 2012. The royalty is equal to US\$1 per tonne for every tonne of iron ore shipped from the Mayoko Project (indexed annually to the CPI).

Based on the assumption the Mayoko Project will produce 2mtpa in 2015-16 and then 10mtpa from 2017 onwards and a life of mine of 30 years, Cape Lambert has an NPV value on this royalty of A\$55m-A\$114m.

Cape Lambert is confident it will be able to secure a buyer for its royalty in the Mayoko Project, based on interest in similar transactions for West African iron ore projects in recent years. In 2012, UK listed London Mining PLC received US\$110million from Blackrock World Mining Trust PLC for a 2% royalty on iron ore sales from its Marampa mine in Sierra Leone.

Cape Lambert Executive Chairman Tony Sage said "We think now is a perfect opportunity to achieve maximum value from this royalty, which would in turn allow us to deploy funds in other areas."

"The sale of the royalty would allow the board to consider the payment of a special dividend to shareholders as per the Company model."

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
687,533,792

Unlisted Options
11,710,000 (\$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
International Goldfields Limited

Cape Lambert Contact

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