

UPDATE ON TAX ASSESSMENT

Australian resources company Cape Lambert Resources Limited (ASX: **CFE**) (**Cape Lambert** or the **Company**) wishes to update shareholders in respect of the Notice of Amended Assessment received by the Company from the Australian Taxation Office (**ATO**) together with an associated penalty notice (**Amended Assessment**) (refer ASX Announcements dated 18 May 2012, 31 May 2012 and 11 December 2012).

In December 2012, the Company entered into an Arrangement for Payment (**Arrangement**) with the ATO to pay half the primary tax and shortfall interest charge in dispute pending the outcome of the objections lodged by the Company. Under this Arrangement, a total of approximately A\$33.4 million has been paid to the ATO by the Company.

The Arrangement provided that collection action for the balance of the disputed amount would not be commenced by the ATO before the dispute is resolved.

The Company has been notified that the objections lodged with the ATO in relation to the Amended Assessment have been disallowed. The Company intends to appeal the objection decisions in the Federal Court of Australia. The Company expects to lodge appeal notices with the Federal Court of Australia by 28 April 2014. The appeal process could take some time.

Before an outcome on this appeal is known the Company should not be subject to recovery action of the disputed amount.

Cape Lambert's Executive Chairman Mr Tony Sage said "The Company remains confident that its appeals should be determined favourably, even though it may take some time before the final outcome is known."

"At this time, the Company does not need to outlay additional cash in respect of the balance of the disputed amount."

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
665,138,887

Unlisted Options
500,000 (\$0.15 exp 30 Sept 2015)

Board of Directors

Tony Sage Executive Chairman
Tim Turner Non-executive Director
Jason Brewer Non-executive Director
Ross Levin Non-executive Director

Melissa Chapman
Company Secretary

Key Projects and Interests

Marampa Iron Ore Project
Pinnacle Group Assets

Cape Lambert Contact

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Executive Chairman

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