

## **FE Limited Repayment of Loan Proceeds Received**

Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) (**Cape Lambert** or the **Company**) is pleased to provide the following update in relation to the repayment of the loan facility provided to FE Limited (**ASX: FEL**) (**FE Limited**).

In June 2011, FE Limited entered into a loan agreement with Cape Lambert (**Loan Agreement A**) pursuant to which Cape Lambert agreed to lend FE Limited A\$2,000,000, with interest accruing at the cash rate plus 3% per annum.

In December 2012, FE Limited entered into a second loan agreement with Cape Lambert (**Loan Agreement B**) pursuant to which Cape Lambert agreed to lend FE Limited A\$1,000,000, with interest accruing at the same rate as Loan Agreement A.

On 20 December 2013, FE Limited entered into a settlement arrangement (**Settlement and Converting Loan Agreement**) with respect to Loan Agreement A and Loan Agreement B. Pursuant to the Settlement and Converting Loan Agreement, A\$1,000,000 will be repaid to Cape Lambert in cash and subject to shareholder approval, A\$2,000,000 (together with accrued interest) will automatically convert into shares at a conversion price calculated at 80% of the volume weighted average closing price of the shares as quoted on ASX over the last ten days immediately preceding the conversion.

At the FE Limited Meeting in February 2013, FE Limited shareholders approved the conversion of the amounts owing under the Settlement and Converting Loan Agreement and consequently on 26 February 2014, a total of 104,193,055 FE Limited Shares were issued to Dempsey Resources Pty Ltd, a wholly owned subsidiary of Cape Lambert.

Following conversion of the Settlement and Converting Loan Agreement, Cape Lambert holds a 57.89% interest in FE Limited (refer to change in substantial holder notice announced on 28 February 2014).

Cape Lambert has received the balance of the consideration being A\$1,000,000 cash in accordance with the Settlement and Converting Loan Agreement.

Cape Lambert has cash and receivables of approximately A\$30.5 million which includes available unrestricted cash reserves of approximately A\$26.0 million.

Cape Lambert Executive Chairman, Mr Tony Sage said, "Cape Lambert is in a very strong financial position with no debt and a healthy cash balance that enables the Company to maintain its current portfolio and look for distressed assets in the current difficult market."

Cape Lambert Resources Limited (ASX: CFE) is a fully funded mineral development company with exposure to iron ore, copper, gold, uranium, manganese, lithium and lead-silver-zinc assets in Australia, Europe, Africa and South America.

### **Australian Securities Exchange Code: CFE**

Ordinary shares  
661,753,785

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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### **Australian Enquiries**

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Yours faithfully  
Cape Lambert Resources Limited

Tony Sage  
**Executive Chairman**