ASX Announcement
22 August 2017

Exploration Work Underway at High Grade Kasombo Cobalt Project

- **Independent geological consultants have commenced exploration work at the Kasombo Cobalt Project**
- **SRK Consulting engaged to complete field activities and to undertake a detailed review of historical exploration work completed by State owned mining company La Générale des Carrières et des Mines (Gécamines)**
- **Geological mapping works have been completed at Kasombo 7 and are now underway at Kasombo 6**
- **Work to also focus on Kasombo 5, which has been the subject of previous drilling programs and historical resource estimation**
- **Drilling tender process underway for commencement of Phase 1 RC drilling at the Kasombo Cobalt Project to test known areas of mineralisation and confirm historical results**
- **Handheld XRF sampling of artisanal cobalt workings and exposed cobalt mineralisation at Kasombo 7 confirms the high grade nature of the cobalt mineralization with grades of up to 38.2% cobalt reported**

Australian resource and investment company, Cape Lambert Resources Limited (**ASX: CFE**) (**Cape Lambert** or the **Company**) is pleased to announce that exploration activities being undertaken by independent international mining and geological consultants SRK Consulting (**SRK**) have commenced at the Kasombo Cobalt Project located in the Democratic Republic of Congo (**DRC**).

Geological mapping works has already been completed on Kasombo 7. Mapping is continuing on Kasombo 6 and will commence on Kasombo 5 later this week.

In addition to the field work underway, SRK are also completing a detailed review and analyses of the historical exploration work completed by Gécamines at the Kasombo Cobalt Project. This work will include a review of all previous geological mapping, trenching and sampling that has been undertaken. It will also include an assessment of the previous drilling programs and historical resource estimation work that was undertaken.

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
833,019,919

Unlisted Options
23,500,000 ($0.05 exp 18 Dec 2018)

Board of Directors

Tony Sage
Executive Chairman

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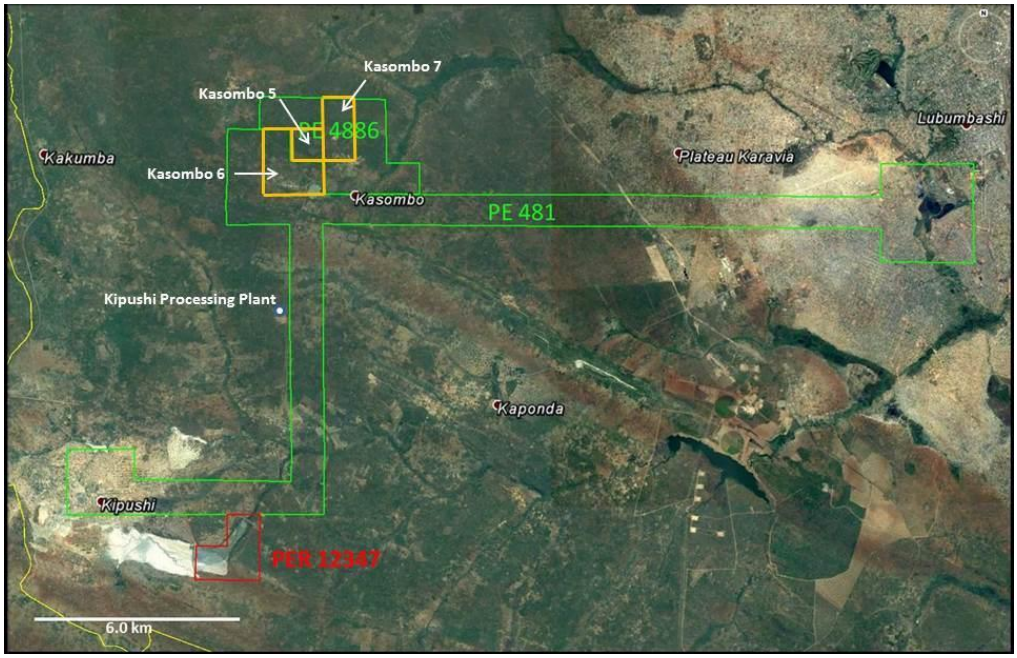
This work will focus on the high grade cobalt mineralization that has been identified at Kasombo 7 and the more historical extensive exploration work that has been completed at Kasombo 5. It is anticipated that this work will be completed by SRK over the next 2 to 3 weeks.



Location of the Kasombo Cobalt Project and nearby Kipushi Processing Plant

The Kasombo Cobalt Project comprises three mineralized areas of approximately 600 hectares, Kasombo 5, 6 and 7. The Kasombo Cobalt Project is held under a Joint Venture Agreement with Congolese company, Paragon Mining.

The Kasombo Cobalt Project is located approx. 25km from Lubumbashi in the Katanga Copper Belt, the world's largest cobalt producing region.

As announced 13 July 2017, Cape Lambert entered into a binding terms sheet with Fe Limited (**ASX: FEL**) whereby Cape Lambert will assign to FEL 100% of the rights and obligations it has in the Kasombo Cobalt Project located in the DRC (**Transaction**). Cape Lambert is undertaking the current exploration works to progress the Kasombo Cobalt Project ahead of the anticipated settlement of the Transaction. Costs incurred by Cape Lambert in respect of these works are to be reimbursed by FEL to the Company at completion.

In addition to the exploration activities being completed at the Kasombo Cobalt, the Company has commenced a drilling tender process with several local drilling companies in Lubumbashi. The tender process is for a first phase preliminary RC drilling program targeting the areas of known mineralisation at the Kasombo Cobalt Project and to confirm some of the historical exploration and drilling conducted by Gécamines. It is expected that this tender process will be completed in the current quarter.

The Company's in country technical management and consultants have also completed further handheld Niton-XRF sampling of visible cobalt mineralization at Kasombo 7, which has confirmed the high grade cobalt mineralisation within the Kasombo Cobalt Project.

The visible cobalt mineralisation has been exposed in areas where artisanal miners have carried out shallow open pit workings.

The preliminary XRF values indicate numerous high grade areas of mineralisation at Kasombo 7, with grades of up to 38.26% cobalt.

Plan of Kasombo 7 XRF sample locations

Table of Kasombo 7 XRF grades

UTM Easting	UTM Northing	Co%
533,998	8,710,264	38.2
543,007	8,710,231	3.1
533.981	8,710,205	4.9

Artisanal Mining Activity Exposing Cobalt Mineralisation at Kasombo 7

High Grade Cobalt Mineralisation Recorded at Kasombo 7 (located at UTM 533998E and 8710264S)

High Grade Cobalt Mineralisation Recorded at Kasombo 7 (located at UTM 534007E and 8710231S)

High Grade Cobalt Mineralisation Recorded at Kasombo 7 (located at UTM 533981E and 8710205S)

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Olaf Frederickson. Mr Frederickson is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Frederickson is a consultant to Cape Lambert Resources. Mr Frederickson consents to the inclusion in the report of the Exploration Results in the form and context in which they appear.

JORC Code, 2012 Edition – Table 1 Kasombo Hand held XRF results

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Samples were analysed in the field with a Niton handheld XRF gun.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• No drilling conducted.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No drilling conducted.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical*	• No Samples were collected.

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Criteria	JORC Code explanation	Commentary
	studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No drilling was conducted.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• XRF samples were not assayed in a lab. • Indicative grades were obtained with the use of a Niton handheld XRF gun. •
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No verification work has been conducted.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• Samples were located with handheld GPS.

Criteria	JORC Code explanation	Commentary
	• *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Samples were taken at random dependent on where artisanal workings were encountered. • The data is not suitable for resource estimation. •
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• No drilling was conducted
Sample security	• *The measures taken to ensure sample security.*	• No sample was collected
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been done.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The licence is held by state owned company Gecamines and is the subject of a rights agreement between Gecamines and Paragon SARL. Paragon has a joint venture with Cape Lambert Resources and Cape Lambert Resources has entered in to an agreement with Fe Limited to assign its rights to the Kasombo Project to Fe Limited. • .
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Consultant SRK Consulting are liaising with Gecamines to retrieve any historical exploration records for the Kasombo area . •

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Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Mobilisation of cobalt into a weathered saprolitic terrain above meta-sedimentary basement rocks of the Katanga supergroup.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• No drilling has been conducted
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No drilling has been conducted.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• No drilling has been conducted •
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See plan in the body of the text for sample locations

Criteria	JORC Code explanation	Commentary
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All XRF shots reported
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Mapping work of Kasombo 5, 6 and 7 is currently being undertaken.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Geochemcial sampling, magnetic ground survey and preliminary drilling work will be undertaken once mapping work is completed.