

Chinese Strategic Investment and Partnership Cobalt Offtake and Funding Negotiations

Highlights

- **Board and technical team invited to China this week for meetings in Beijing, Shanghai and Hong Kong to negotiate strategic investment and partnership over the Company's planned production of cobalt and copper in the Democratic Republic of Congo and from its Kipushi Cobalt Project**
- **Meetings followed successful site visits completed by major Chinese industrial group in August 2017, that included metallurgical testwork by them of the tailings material to review potential construction and funding of leaching technology to produce a high value cobalt hydroxide product**
- **Strategic investment proposed by them to secure cobalt and copper offtake, fund all necessary plant upgrades at the Kipushi Processing Plant and provide additional working capital to assist the Company in acquiring other advanced cobalt projects**
- **Discussions continue with Swiss, European and US based commodity trading groups with further meetings confirmed in London during LME Metals Week from 30 October to 3 November**
- **Targeting completion of commodity linked debt funding and offtake arrangements in the current quarter**

Australian resource and investment company, Cape Lambert Resources Limited (**ASX: CFE**) (**Cape Lambert** or **the Company**) is pleased to advise that representatives of the Company have been invited to China this week to advance strategic investment discussions, cobalt and copper offtake agreements and commodity linked debt funding for its interest in the Kipushi Cobalt Tailing Projects in the Democratic Republic of Congo.

In August 2017, representatives of a major Chinese industrial group completed a technical site visit to the Company's Kipushi Cobalt Project (refer ASX Announcement dated 4 August 2017). The visit included a review of the Kipushi Cobalt Tailings and the Kipushi Processing Plant. Samples of the tailings material were taken and metallurgical testwork was subsequently completed by them in China.

The technical site visit was to consider the potential construction and funding of leaching technology to treat the Kipushi tailings in order to produce a high value cobalt hydroxide product and copper cathode that will be acquired for sale into the Chinese market. Members of the Board and the Company's technical team were on site with the Chinese group.

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 31 Dec 2018)

Board of Directors

Tony Sage
Executive Chairman

Tim Turner
Non-executive Director

Jason Brewer
Non-executive Director

Melissa Chapman
Company Secretary

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The Company is pleased to confirm that following this successful site visit, representatives of the Board and Company's technical team have now been invited to China to negotiate a potential strategic investment and partnership with them.

Meetings have been scheduled and confirmed this week in Beijing, Shanghai and Hong Kong and the Company's director Mr Jason Brewer will be leading the negotiations on behalf of the Company.

The negotiations will focus on a strategic investment in and partnership with the Company proposed by them to secure planned cobalt and copper production from the Kipushi Cobalt Project. The proposed investment, which is early stage and non-binding, is planned to be structured by way of a commodity linked debt instrument, with the proceeds to be used to fund all plant works and upgrades required at the Kipushi Processing Plant in order to commence the retreatment of the Kipushi tailings. In addition, addition further working capital funding is under negotiation that is proposed to assist the Company in its broader strategy of acquiring other advanced cobalt and copper projects in the DRC and in Zambia.

In addition, the Company is pleased to confirm that in conjunction with Metals Risk Management Limited (**MRM**), its UK based strategic advisor (refer ASX Announcement dated 22 June 2017) discussions with several major international trading groups based in Switzerland, the United States and Europe have advanced over the past month. Discussions with these groups will continue over the coming weeks whilst the Company's technical consultants finalise the metallurgical test work in South Africa to optimize the process flow sheet and upgrade work for the Kipushi Processing Plant.

Several meetings with these trading groups, MRM and the Company have now been scheduled and confirmed to take place during London Metal Exchange Week between 30 October and 3 November 2017.

The Company is of the opinion that following these meetings in London and the negotiations in China this week, it will be able to finalise a strategic investment into the Company, proposed cobalt and copper offtake agreement and a commodity linked debt funding structure that will allow it to advance its advanced cobalt and copper production strategy in Africa.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

About Us

Cape Lambert is an Australian domiciled, ASX listed (ASX: CFE), fully funded, mineral development company. Cape Lambert has interests in several exploration and mining companies, providing exposure to iron ore, copper, uranium, cobalt, lithium and lead-silver-zinc assets in Australia, Europe, Africa and South America.

Cape Lambert's strategy is to acquire and invest in undervalued and/or distressed mineral assets and companies (**Projects**) and:

- improve the value of these Projects, through a hands on approach to management, exploration, evaluation and development; and
- retain long-term exposure to these Projects through a production royalty and/or equity interest.

Cape Lambert aims to deliver shareholder value by adding value to these undervalued and undeveloped Projects.

For more information visit the Company's website www.capelam.com.au.