

Kitwe Tailings Project Update

Australian resources and investment company, Cape Lambert Resources Limited (ASX: CFE) (**Cape Lambert** or the **Company**) is pleased to provide an update regarding the Kitwe Tailings Project, Zambia.

On 22 May 2017, the Company announced that it had executed a binding terms sheet to conditionally acquire 70% of the shares in Zambian entity Australian Mining Company Zambia Limited (**AMCZL**), which is the holder of exploration licence No 21853-HQ-SEL (**Kitwe Tailings Project**) (**Acquisition**).

The Kitwe Tailings Project is located approximately 3km from the outskirts of Kitwe, in the Copperbelt region of Zambia. Kitwe is the second largest city in Zambia, in terms of size and population, and is one of the most developed commercial and industrial areas in the nation, alongside Ndola and Lusaka. The Copperbelt is centered around the towns of Ndola, Kitwe, Chingola, Luanshya and Mufulira – a string of towns on Zambia's northern border with the Democratic Republic of Congo. The Kitwe tailings were produced from the nearby Nkana concentrator that processed copper sulphide-oxide ores from the Mindola mine in the 1970s and 1980s.

After extension requests by the Seller, the Share Sale Agreement was executed on 4 December 2017, with completion of the Acquisition expected within the coming weeks.

Subsequent to the execution of the terms sheet, AMCZL lodged an Environmental Project Brief (**EPB**) with the Zambia Environmental Management Agency (**ZEMA**), which is needed for the exploration work to commence. On 4 January 2018, ZEMA issued its Decision Letter approving the EPB.

Tailings samples for metallurgical testwork, to be undertaken at the laboratory of Mintek in South Africa, have now been collected. The export paperwork needed to dispatch the sample is currently being organized and it is planned that the metallurgical testwork will commence by month end.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

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
873,625,369

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

Stefan Muller
Non-executive Director

Melissa Chapman
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Figure 1: Location of the Kitwe Tailings Project



Figure 2: Location of Licence No 21853-HQ-SEL