

## Update on the Kipushi Tailings Project

- **Leaching testwork on tailings achieves excellent recoveries; 95.8% for Copper and 83.5% for Cobalt**
- **Sample concentrates by Axis House show grades between 10-12% Copper and 1.8% - 2% Cobalt**
- **Discussions with potential concentrate offtakers are progressing**
- **Consultant engaged to undertake a PFS on a leaching processing plant, 12 weeks for completion**

Australian resources and investment company, Cape Lambert Resources Limited (ASX: CFE) (**Cape Lambert** or the **Company**) is pleased to provide an update on activities associated with the Kipushi Tailings Project (**Kipushi Project**) located in the Democratic Republic of Congo (**DRC**).

The Kipushi Project consists of a tailings dam located on PE 12347 and the Kipushi Processing Plant located adjacent mining licence PE481. The Kipushi Project is held by Soludo Lambert Mining SAS (**SLM**), being a 50/50 joint venture between the Company and Paragon Mining SARL (**Paragon**) (refer to ASX announcement dated 3 May 2017 for details of the joint venture arrangement).

As previously reported in the December 2017 quarterly report, the Company has been undertaking flotation testwork at the laboratory of Axis House in South Africa. Axis House produced sample lots of concentrates, grading between 10%-12% Copper and 1.8% to 2% Cobalt, that were dispatched to various traders for testing. Several traders have now indicated their interest in offtaking the concentrate produced and will soon provide indicative terms for a potential offtake agreement.

The testwork conducted by Axis House indicated that the recovery of copper and cobalt in the flotation process would be in the order of 55% to 65% for copper and 40% to 50% for cobalt. Given these levels of recovery, the Company dispatched a sample of tailings to the laboratory of ALS Metallurgy Pty Ltd (**ALS**), to undertake leach/extraction testing that could potentially provide a more optimum processing solution, in particular higher Cobalt recoveries.

ALS completed an initial 3 leach tests on the Kipushi tailings with very encouraging results, which produced recoveries of 95.8% for Copper and 83.5% for Cobalt at a 75 micron grind size after 3 hours of leaching. Further work is underway aimed at optimising the leach/extraction process and providing a reduction in operating cost.

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

**Australian Securities Exchange**  
Code: CFE

Ordinary shares  
909,633,549

Unlisted Options  
23,500,000 (\$0.05 exp 31 Dec 2018)  
15,336,363 (\$0.07 exp 12 Mar 2020)  
7,667,727 (\$0.07 exp. 19 Mar 2020)

### **Board of Directors**

Tony Sage  
Executive Chairman

Tim Turner  
Non-executive Director

Stefan Muller  
Non-executive Director

Melissa Chapman  
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Given the excellent results achieved from the leach testing, SLM has adopted a strategy to develop in parallel with the upgrade of the flotation plant, a leaching plant that will potentially produce a high grade copper cobalt hydroxide product. Further testing is being undertaken at ALS to determine the quality of hydroxide product that can be achieved.

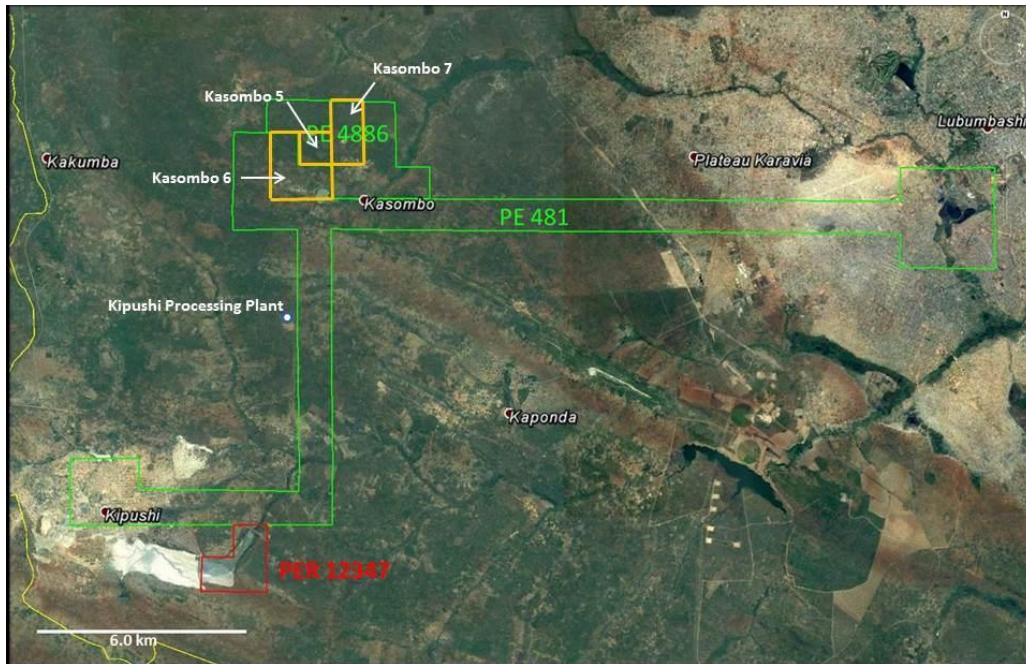
To progress the development of a potential leaching plant, the Company has engaged the services of Minnovo Pty Ltd (**Minnovo**) to undertake a pre-feasibility study on the leach/extraction plant, which is expected to take approximately 12 weeks to complete.

On 6 February 2018, the Company advised that it had engaged the services of consultants GCWH Consulting Pty Ltd (**GCWH**) to undertake a detailed engineering review of the Kipushi Processing Plant. GCWH visited the project between 12 to 15 February 2018. GCWH have noted the requirement for several design modifications in the flotation plant and identified that some equipment should be replaced. The Company has engaged GCWH to undertake the processing and design work associated with the recommended modifications.

Yours faithfully  
Cape Lambert Resources Limited

Tony Sage  
**Executive Chairman**

The Metallurgical information in this presentation is based on information compiled by Mr Chris Larder who is a Member of The Institute of Chemical Engineers. Mr Larder has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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". Mr Larder is a consultant to Cape Lambert Resources Limited and consents to the inclusion in this report of the matters based on his information in the form and the context in which it appears.



Location of Kipushi Processing Plant and Kipushi Tailings Project



Kipushi Processing Plant - Flotation Cells and Ball Mill