

Cape Lambert to Secure an EPCF Provider to Fund and Develop the Kipushi Cobalt-Copper Tailings Project in the DRC

Australian resources and investment company, Cape Lambert Resources Limited (ASX: CFE) (**Cape Lambert** or the **Company**) is pleased to advise that it has appointed Kobu Capital (**Kobu**) to source an Engineering, Procurement, Construction and Financing (**EPCF**) provider to fund and develop the Kipushi Cobalt-Copper Tailings Project (**Project**) in the Democratic Republic of Congo (**DRC**) (**Mandate**). Kobu has already received an offer and a site visit is planned on 6th January 2019.

The Project consists of a tailings dam located on PE 12347 and 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).

Kobu is a venture investment platform for, amongst other things, innovative industrial technology products and believes it can offer a more economical development and financing process for the Project through partnering with its strategic Chinese partners. The purpose of an EPCF provider is for self-funding of the design and building of the process plant, with the repayment of the financing coming from future revenues of the Project.

Under the terms of the Mandate:

- Kobu has already received an offer from a suitable international EPCF provider that is capable of funding, designing and building the process plant facility at the Project;
- Kobu with their partners will arrive on site January 6th;
- Cape Lambert would undertake the negotiations directly with the EPCF provider regarding the terms and conditions of an EPCF contract;
- A success fee of 7.5% on the value of the EPCF contract will be payable to Kobu in eight equal installments payable from earnings of the Project, with the first payment due within two months of the first shipment of product, with the balance of the seven payments each six weeks thereafter;
- Following signing of a contract with an EPCF provider, Cape Lambert will appoint Ipilot Australia Pty Ltd (**Ipilot**), a related party to Kobu, as a Project Management Consultant on terms to be negotiated and agreed, to assist in managing the development of the Project; and

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

Australian Securities Exchange Code: CFE

Ordinary shares
1,011,734,914

Unlisted Options
15,336,363 (\$0.07 exp 12 Mar 2020)
7,667,727 (\$0.07 exp 19 Mar 2020)
5,250,000 (\$0.04 exp 31 Mar 2020)
15,000,000 (\$0.03 exp 30 Jun 2021)
5,000,000 (\$0.05 exp 13 Dec 2020)
10,000,000 (\$0.075 exp 30 Jun 2019)

Board of Directors

Tony Sage
Executive Chairman

Tim Turner
Non-executive Director

Stefan Müller
Non-executive Director

Melissa Chapman
Company Secretary

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- Following commissioning of the Project, Cape Lambert will negotiate with Ipilot to provide additional services to ensure the effective operation of the Project.

Tony Sage, Chairman, commented “it is a fantastic solution for Kobu to find an EPCF provider to fund the design and construction whilst waiting to be repaid out of future revenues of the Project. This will completely derisks the Project for our shareholders and allows the Company’s cash reserves to be deployed on other projects.”

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman