

Issue of Securities – Appendix 3B and S708A Notice

Australian resources and investment company, Cape Lambert Resources Limited (ASX: CFE) (**Cape Lambert** or the **Company**) advises that 1,666,667 fully paid ordinary shares have been issued.

A completed Appendix 3B has been lodged together with this announcement.

Notice Under Section 708A(5)(e) of the Corporations Act 2001

In respect of the shares, Cape Lambert gives notice under section 708A(5)(e) of the Corporations Act 2001 (Cth) (Act) of the following:

1. The shares were issued without disclosure under Part 6D.2 of the Act;
2. As at the date of this notice, the Company has complied with:
 - i. the provisions of Chapter 2M of the Act as they apply to the Company; and
 - ii. section 674 of the Act; and
3. As at the date of this notice, there is no information to be disclosed which is excluded information (as defined in section 708A(7) of the Act) that is reasonable for investors and their professional advisers to expect to find in a disclosure document.

Yours faithfully
Cape Lambert Resources Limited

Melissa Chapman
Company Secretary

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
1,013,401,581

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 Muller
Non-executive Director

Melissa Chapman
Company Secretary

Cape Lambert Contact

Investor Relations
Phone: +61 8 9380 9555
Email: info@capelam.com.au

www.capelam.com.au



Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Cape Lambert Resources Limited

ABN

71 095 047 920

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares (Shares) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1,666,667 Shares |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>(i) Yes</p>
<p>5 Issue price or consideration</p>	<p>\$0.018 per shares (calculated based on 4% of the Tranche 1 investment amount of \$750k divided by the average of the 5 daily VWAP prior to issue)</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Tranche 1 Commitment shares to MEF I, L.P. (Magna) (per ASX Announcement 14 December 2018)</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>29 November 2018</p>

+ See chapter 19 for defined terms.

6c	Number of +securities issued without security holder approval under rule 7.1	N/a
6d	Number of +securities issued with security holder approval under rule 7.1A	1,666,667 Shares
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/a
6f	Number of securities issued under an exception in rule 7.2	N/a
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	<p>Yes – the 1.8c issue price is 106% of the Company’s 15 day VWAP on the date the issue price was agreed (Listing Rule 7.1A.3(a)) of 1.9 cents and also 97% of the 15 day VWAP as of the date the shares were issued (Listing Rule 7.1A.3(b)) of 1.75 cents.</p> <p>VWAP source data: Yahoo Finance</p>
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/a
6i	Calculate the entity’s remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<p>7.1 – 97,838,668</p> <p>7.1A – 99,506,824</p>
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	21 December 2018

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		1,013,401,581	Fully Paid Ordinary Shares
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		15,336,363	Unlisted Options (exercisable at \$0.07 each on or before 12 March 2020)
		7,667,727	Unlisted Options (exercisable at \$0.07 each on or before 19 March 2020)
		5,250,000	Unlisted Options (exercisable at \$0.04 each on or before 31 March 2020)
		15,000,000	Unlisted Options (exercisable at \$0.03 each on or before 30 June 2021)
		5,000,000	Unlisted Options (exercisable at \$0.05 each on or before 13 December 2020)
		10,000,000	Unlisted Options (exercisable at \$0.075 each on or before 30 June 2019)
		548,310 ¹	Convertible note (in accordance with terms of the convertible note announced 17 December 2018). The maximum calculated number of shares that may be issued upon conversion of convertible notes Tranche A is 53,921,569 (calculating using 85% of the lowest daily VWAP during the 10 trading days prior to issue, or \$0.018).
			¹ Updated from App 3B released on 17/12/18

+ See chapter 19 for defined terms.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
----	--	-----

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
----	---------------------------------------	-----

12	Is the issue renounceable or non-renounceable?	N/A
----	--	-----

13	Ratio in which the +securities will be offered	N/A
----	--	-----

14	+Class of +securities to which the offer relates	N/A
----	--	-----

15	+Record date to determine entitlements	N/A
----	--	-----

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
----	--	-----

17	Policy for deciding entitlements in relation to fractions	N/A
----	---	-----

18	<p>Names of countries in which the entity has +security holders who will not be sent new issue documents</p> <p><small>Note: Security holders must be told how their entitlements are to be dealt with.</small></p> <p><small>Cross reference: rule 7.7.</small></p>	N/A
----	--	-----

19	Closing date for receipt of acceptances or renunciations	N/A
----	--	-----

20	Names of any underwriters	N/A
----	---------------------------	-----

21	Amount of any underwriting fee or commission	N/A
----	--	-----

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	N/A

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.

+ See chapter 19 for defined terms.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.


Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 21/12/2018.....
(Company Secretary)

Print name:Melissa Chapman.....

== == == == ==

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	873,625,369
<i>Add</i> the following:	30,672,725 – Issued 12 March 2018
<ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 	5,335,455 – Issued 16 March 2018
	5,250,000 – Issued 27 June 2018
<ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval 	4,493,334 – Issued 29 June 2018
	18,333,333 – Issued 3 July 2018
<ul style="list-style-type: none"> • Number of partly paid ordinary securities that became fully paid in that 12 month period 	1,000,000 – Issued 3 July 2018
	10,000,000 – Issued 13 July 2018
<i>Note:</i>	600,000 – Issued 13 July 2018
<ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> 	23,500,000 - Issued 23 July 2018
<ul style="list-style-type: none"> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> 	36,666,667 - Issued 23 July 2018
<ul style="list-style-type: none"> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	2,258,031 - Issued 23 July 2018
<i>Subtract</i> the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	1,011,734,914

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	151,760,237
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	53,921,569 – Tranche 1 convertible notes
“C”	53,921,569
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	151,760,237
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	53,921,569
<p>Total [“A” x 0.15] – “C”</p>	<p>97,838,668</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,011,734,914
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	101,173,491
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	1,666,667 - Tranche 1 Commitment Shares
“E”	1,666,667

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	101,173,491
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	1,666,667
Total [“A” x 0.10] – “E”	99,506,824 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.