

Cape Lambert signs binding agreement for A\$15m Funding Facility

Further to the announcement released by Cape Lambert Resources Limited (ASX: CFE) (**Cape Lambert** or the **Company**) on 29 May 2019, the Company is pleased to confirm that it has executed binding documentation for an A\$15m finance facility with Winance Investment LLC (**Winance** or **Investor**) (**Finance Facility**). Funds advanced under the Winance Finance Facility will be used for mining exploration purposes and for general working capital purposes

The Finance Facility is by way of the issue of convertible securities in the Company. An initial amount of A\$1.2m is available for immediate drawdown, with this expected to occur shortly. Further drawdowns of \$500,000 each are available upon full conversion of the notes from the previous drawdown, subject to a cooling off period.

Material terms and conditions are outlined in Annexure A. Further information on the Finance Facility will be contained in a notice of meeting to approve the Finance Facility, which will be sent to CFE shareholders shortly.

The initial \$1.2 million tranche is made without shareholder approval, with conversion of initial tranche A notes (\$480,000) unconditional and the conversion of initial tranche B notes (\$720,000) subject to prior approval by CFE shareholders. CFE relies upon its existing capacity under Listing Rule 7.1 to issue the initial tranche A notes.

Cristina Nine, CEO of Winance, commented "We are thrilled to welcome onboard Cape Lambert and we are looking forward to a developing and exciting journey ahead. This flexible financing solution fits their current financing needs very well on a long-term which will help the company to fund their future projects and investments. The solution is both cost-effective and flexible for the Company and its shareholders allowing them to reach their objectives and profitability."

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

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
1,019,927,757

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)

333,817 convertible notes

Board of Directors

Tony Sage
Executive Chairman

Tim Turner
Non-executive Director

Stefan Muller
Non-executive Director

Melissa Chapman
Company Secretary

Cape Lambert Contact

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Annexure A

- CFE will receive A\$1.2m (before expenses) in respect to the Initial Tranche A note of \$480k and Initial Tranche B note of \$720k within 3 business days of this announcement
- Further drawdowns of A\$13.8m are at the Company's election available in tranches of A\$500k each upon full conversion of the notes from the previous drawdown, subject to:
 - a cooling off period calculated based on the value of the tranche and average trading volumes during the preceding 60-day period; and
 - prior approval by CFE's shareholders.
- There are no fees or penalties if no subsequent drawdowns are made.
- The convertible notes will be 98% of the par value A\$1.00 each (**Par Value**).
- The convertible notes are, subject to prior shareholder approval where required, convertible at any time by the Investor at 90% of the lowest closing VWAP over twelve (12) days prior to the conversion date, providing that the conversion price shall not in any case be lower than A\$0.005 (**Floor Price**).
- In the event the conversion price is less than the Floor Price at conversion, the Company will issue the number of shares equal to the conversion amount divided by the Floor Price with the shortfall amount (calculated based on the conversion amount less the number of shares equal to 90% of the lowest closing VWAP over twelve (12) days prior to the conversion date) payable in cash.
- In the event the closing VWAP for any five (5) day period falls below 135% of the Floor Price, the Investor, at their discretion, shall have the right to decline further drawdowns. Drawdowns may resume if the VWAP remains over 135% of the VWAP for 20 consecutive days
- The minimum conversion amount is A\$20,000.
- The convertible notes bear no interest.
- The convertible notes have a maturity date of 36 months from the date of issue.
- The convertible notes are unsecured.
- The Investor will receive a commitment fee of 5% of the investment amount at the funding of each tranche payable in cash.
- Kapital Global Advisors Limited, the broker who facilitated the Finance Facility, will receive a broker fee of 5% of the investment amount at the funding of each tranche payable in cash.
- In the event of default, the Investor is entitled to issue a redemption notice which requires the Company to repay the outstanding amount together with interest at 10% per annum (accruing from issue to redemption).
- The Company will seek shareholder approval to issue shares in accordance with the convertible note facility, with the maximum number of shares to be issued on conversion prior to shareholder approval limited to 98,817,595 fully paid ordinary shares
- CFE gives warranties considered typical for a financing facility of this nature.

About Winance

Founded by Cristina Nine, Winance is an independent global firm specialized in corporate financing. Creative and dedicated, we focus on small and mid-sized listed companies to help them secure funding needed for their growth. Winance sees itself as a non-invasive and passive investor, acting in the best interest of its portfolio companies and their shareholders. We are offering the possibility to renew contractual arrangements at our client's request in an easy and uncomplicated manner.

We bring significant resources and credibility and maintain a long-standing commitment to our principal values of honesty, integrity, and loyalty. We deliver an appealing performance to our partners through traditional and inventive financing products, ensuring to stay at forefront of the ever-evolving industry.

Winance worked on Cape Lambert transaction with Kapital Global Advisors Limited, Kapital Global is Winance's exclusive and strategic partner for Australia, collectively we focus on ASX listed and private opportunities in Asia Pacific region.

Kapital Global is a advisory firm based in the UAE, which led by Kapil Singh and focuses on Asia Pacific, North & South America, Europe & Africa.