

21 October 2019

Elizabeth Harris **Australian Securities Exchange** Level 40, Central Park 152-158 St Georges Terrace Perth WA 6000

Via email: Elizabeth.Harris@asx.com.au

Dear Elizabeth,

We refer to your letter dated 14 October 2019 (14 October Letter) pursuant to which the Australian Securities Exchange (ASX) requests additional information from Cape Lambert Resources Limited (Cape Lambert or the Company) in respect to the Marampa Project.

Marampa Project Tenure

1. What interest does CFE currently have in the Marampa Project and, in particular, the Tenements?

The Marampa Iron Ore Project (Marampa Project) is a brownfields hematite iron ore project that remains at the development and permitting stage and is located 90km northeast of Freetown in Sierra Leone, West Africa.

The Marampa Project comprises one mining licence (ML05/2014) comprising 97.40km2 and one granted exploration licence (EL46A/2011) comprising 145.86km2. The Status of these tenements is as follows:

ML05/2014

In 2014, Marampa Iron Ore (SL) Limited (Marampa SL), a wholly owned subsidiary of Cape Lambert was granted the mining and environmental licences for ML05/2014 (together the Mining Licence). The Company has spent circa US\$62.7m on exploration and development to date on the Marampa Project.

In September 2018, Marampa SL received a letter from the Sierra Leone Ministry of Mines (SLMOM) cancelling the Mining Licence. In 2018, Marampa SL commenced legal action in Sierra Leone to challenge SLMOM's decision to cancel the Mining Licence ML05/2014, however, the Board has agreed to place legal action against the SLMOM on hold.

Whilst no formal application has been made to date, the Company has, and will continue to be, engaged in dialogue with the relevant Sierra Leonean authorities in an attempt to have the Mining Licence reinstated or reissued by mutual agreement.





Whilst there can be no guarantee that the SLMOM will agree to reinstate or reissue a Mining Licence, if Marampa SL were to successfully recover the Mining Licence, the Board is committed to working with the relevant parties to secure access to the necessary plant and equipment and infrastructure to enable the ramp up of the Marampa Project upon the reissue of the Mining Licence for the benefit of our shareholders as well as, importantly, the Government and People of Sierra Leone.

In parallel, Management are in preliminary discussions with third parties to secure financing to fund the development of the Marampa Project.

EL46A/2011

In 2014, Marampa SL was granted exploration license EL46A/2011. In June 2014 the SLMOM extended EL46A/2011 for a further 2-year term from 31 July 2015 until 31 July 2017. Marampa SL has not paid renewal fees to the SLMOM in respect of EL46A/2011 since 31 July 2017. However, Marampa SL has not received any termination documentation or request for information from the SLMOM, therefore is of the view that EL46A/2011 remains a valid license.

Marampa SL has contacted the SLMOM asking them to confirm the status of EL46A/2011 however no response has been received to date. Marampa SL will continue to follow up with the SLMOM to determine the status of EL46A/2011.

2. Please provide ASX with documents confirming CFE's current interest in the Tenements. If the documents are not in English, please provide a certified translation of the documents

Please find attached the latest documentation received in relation to EL46A/2011 (Appendix B). As outlined in question 1, Marampa SL has contacted the SLMOM asking them to confirm the status of EL46A/2011 however no response has been received to date. Marampa SL will continue to follow up with the SLMOM to determine the status of EL46A/2011.

3. Please provide details of the Relevant Licences referred to in CFE's 14 and 23 August and 11 September 2019 announcements. Are they the same as the Tenements? Do the Relevant Licences include ML 02/09?

The licenses referred to in the 14 and 23 August and 11 September announcements are ML05/2014 and ML02/09.

ML05/2014 is explained under question 1.

ML02/09 is the adjacent license to ML05/2014 and was issued to Timis Mining Corporation (**Timis Mining**), which had acquired the assets of London Mining Marampa Mine Assets. Timis Mining later fell into administration and in 2017 the Gerald Metals Group obtained a new licence over ML02/09 (issued under ML01/2017). On 3 August 2019, the SLMOM announced that it had temporarily suspended Gerald Metals licence ML01/2017. On 2 October 2019, the Government of





Sierra Leone confirmed that Geralds Metals license ML01/2017 has now been cancelled.

The processing plant and equipment and infrastructure which Marampa SL is planning to use during the ramp up of the Marampa Project is located on ML01/2017. As such, whilst the Company does not hold an interest in ML02/09 / ML01/2017, nor has the Company applied for ML02/09 / ML01/2017 to be issued to the Company, Marampa SL is interested in the status of this tenement.

Refer to Figure 4 on the 14 August 2019 announcement for a pictorial view of ML05/2014 and ML02/09.

The Company does not hold an interest in ML01/2017 nor has the Company applied for ML01/2017 to be issued to the Company.

4. Why has CFE made an application for reissuance of the Relevant Licences?

CFE has commenced the application process for re-issuance of ML05/2014 in line with the Company's renewed focus on the Marampa Project.

5. When did CFE make an application for reissuance of the Relevant Licences?

Whilst no formal application has been made to date, the Company has, and will continue to be, engaged in dialogue with the relevant Sierra Leonean authorities in an attempt to have the Mining Licence reinstated or reissued by mutual agreement.

6. Please provide documents confirming CFE's application for reissuance of the Relevant Licences. If the documents are not in English, please provide a certified translation of the documents

Refer to question 5.

7. Please explain the process involved in the reissuance of the Relevant Licences and the approximate time frame for the reissuance.

Please find attached the renewal process requirements (Appendix A). The Company is currently in discussions with the SLMOM regarding a fast track approach given technical documentation hasn't changed.

8. If CFE does not currently have an interest in the Marampa Project or Tenements why has it disclosed that it has a 100% interest in the Marampa Project and the Tenements and is directing its focus to the Marampa Project?

Refer to response under question 1.





9. What activities does CFE propose to undertake on the Marampa Project and when is it proposed that these activities will commence? In answering this question, please include a budget for the proposed exploration activities and related expenditure.

The Company is in the process of developing an exploration program and associated budget.

10. Does CFE consider the cancellation of ML05/2014 by the Sierra Leone Ministry of Mines to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No

11. If the answer to question 10 is "no", please advise the basis for that view.

The carrying value of the Marampa Project in the Company's audited accounts was fully impaired as at 30 June 2016 and remains fully impaired. The Company's focus since early 2017 has been on the Kipushi Copper-Cobalt project located in the DRC. In August 2019, the Company announced that it had been unable to source project financing for the Kipushi Copper-Cobalt project and as such it's renewed focus is now back on the Marampa Project (refer ASX announcement 14 August 2019). As such, the Company's position is that that the cancellation of ML05/2014 was not material.

12. If the answer to question 10 is "yes" and CFE first became aware of the cancellation of ML05/2014 before 31 October 2018, did CFE make any announcement prior to the relevant date which disclosed this? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe CFE was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps CFE took to ensure that the information was released promptly and without delay.

Not applicable.

Legal action in the High Court of Sierra Leone

13. Does CFE consider the Litigation to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No.

14. If the answer to question 13 is "no", please advise the basis for that view.

Refer to response under question 11.

15. If the answer to question 13 is "yes" and CFE first became aware of the Litigation before 31 October 2018, did CFE make any announcement prior to the relevant date which disclosed this? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting





specifically on when you believe CFE was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps CFE took to ensure that the information was released promptly and without delay.

Not applicable.

16. Please provide an update on the current status of the Litigation.

BMT Law Chambers was previously engaged to commence litigation however as outlined under question 1, the Board has agreed to place legal action against the SLMOM on hold.

Compliance and authorization

17. Please confirm that CFE is complying with the Listing Rules and, in particular, Listing Rule 3.1.

The Board confirms that it is in compliance with the Listing Rules, in particular Listing Rule 3.1.

18. Please confirm that CFE's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CFE with delegated authority from the board to respond to ASX on disclosure matters.

The Board confirms that is responses to the questions above have been authorized and approved by the Board of the Company.

Please contact us if you have any queries.

Yours faithfully

Tony Sage

Executive Director

Cape Lambert Resources Limited





Appendix A



GOVERNMENT OF SIERRA LEONE NATIONAL MINERALS AGENCY

(NMA)

Fransforming Sierra Leone's Minerals Sector for a Better Sierra Leone



LARGE SCALE MINING LICENCE

Maximum Area: 125 square kilometers

Duration: Granted for an initial period of 25 years and renewable for 15 years' period

Operation: Any safe & approved mining method

Approval:

Application is approved by the Hon. Minister of Mines and Mineral Resources on the recommendation of the Minerals Advisory Board.

Application Requirements (supporting documentation):

- Completed application form (form B1, B3, B15, B18).
- 2. Copy of Certificate of Incorporation, Certificate of Business Registration and certified copy of its Memorandum and Articles of Association (to be attached)
- 3. Company profile including proposed number of employees (technical, administration and others), and capitalization
- 4. Certified copy of audited accounts for the year immediately preceding (where applicable)
- 5. Tax Clearance Certificate
- Tax Identification Number (TIN) Certificate
- 7. Map/plan of proposed Large-scale mining area (map should be drawn such that it indicates relevant geological features)
- 8. Mine plan including a proposed program of mining operations and infrastructure
- 9. A detail proposal for the employment of Sierra Leone citizens
- 10. Full feasibility study including a detailed report on the geology and mineralization, mining & treatment options, a financial/business plan, and marketing plan.
- 11. Environmental Impact Assessment (EIA) license from the Environment Protection Agency Sierra Leone (EPA-SL) indicating detailed studies of any

GOVERNMENT OF SIERRA LEONE NATIONAL MINERALS AGENCY



Transforming Sierra Leone's Minerals Sector for a Better Sierra Leone



significant adverse effects that the program is likely to have on the environment or on any monument or relic, together with an estimated cost of combating such adverse effects.

- 12. Evidence that consent has been obtained from the Chiefdom Mining Allocation Committee
- 13, A Community Development Agreement (CDA)
- 14. Land Lease Agreement
- 15. Any other additional information

Note: Applicant is required to submit Sixteen (16) bound copies of application form (supported with all relevant documents as attachments) to the National Minerals Agency headquarters at New England Ville, Freetown.

Category	Charge
Large-scale Mining Licence annual fee	US\$ 500,000.00
Dredging permit for large-scale mining (where required)	US\$ 20,000.00
Application fee for a large-scale mining licence	US\$ 25,000.00
Application fee for a Large scale dredging permit (where	US\$ 250.00
equired)	unou elminerale

For additional information, please visit: www.nma.gov.sl OR www.slminerals.org



Appendix B





GOVERNMENT OF SIERRA LEONE NATIONAL MINERALS AGENCY (NMA)



Monday, 09 June 2014

The General Manager

Marampa Iron Ore (SL) Limited

49^J Spur Road

Lumley Area

Freetown.

Dear Sir,

RE: EXPLORATION LICENCES 46A & 46B/2011

With reference to your letter dated 12th May 2014 in which you enquired on the possibility for a renewal of exploration licences **EL 46A/2011 & EL 46B/2011** beyond their current expiry date of 31st July 2015, We write to confirm that both licences can be renewed for a final 2 (two) years period subject to the fulfilment of the requirements set in the Mines and Minerals Act of 2009 for final renewal of an exploration licence.

However, the National Minerals Agency would like you to know that such renewal will be granted for the new retained area on **EL 46A/2011** as communicated to you in previous correspondences and as detailed in the map and coordinates attached.

Yours faithfully,

A. By Barrie 2014
Director of Mines,
+232 79 252459

Copy:

Hon. Minister, MMMR

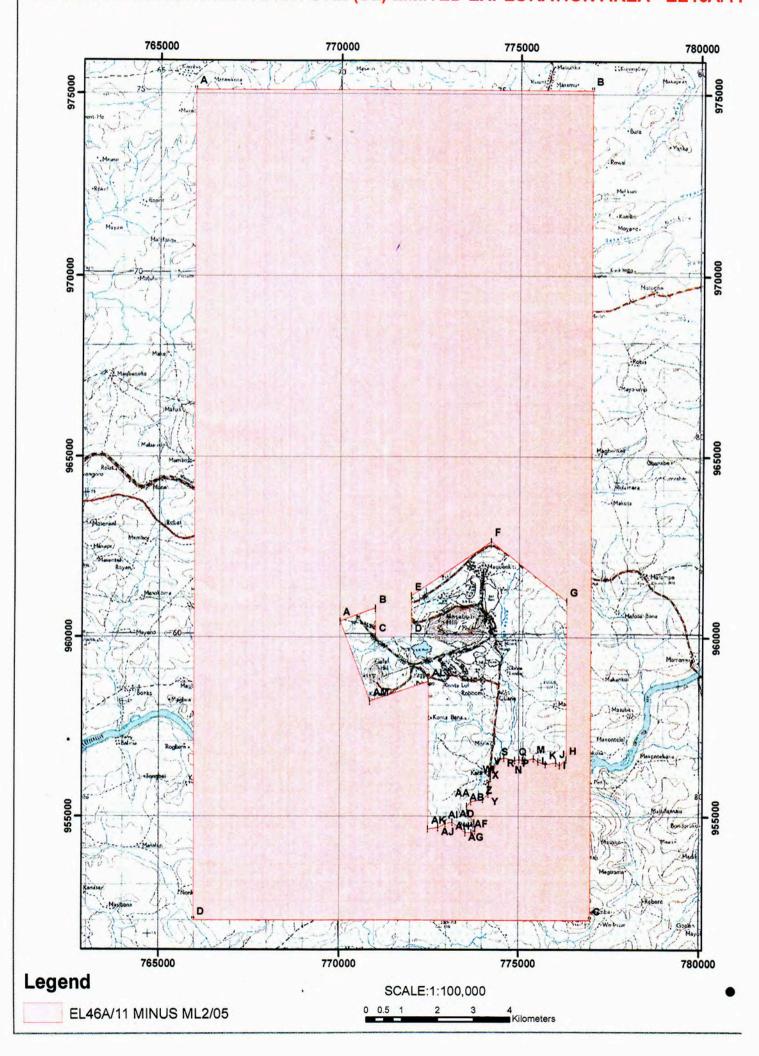
Hon. Deputy Minister, MMMR

P.S, MMMR

Director General, National Minerals Agency

Director of Geological Survey, National Minerals Agency

RE-ADJUSTED MARAMPA IRON ORE (SL) LIMITED EXPLORATION AREA - EL46A/11



BEACON SEQUENCE	X COORDINATES	Y COORDINATES
Α	765972	975096
В	776972	975096
C	776972	952096
D	765972	952096

EXCLUDING THE COORDINATES OF THE LONDON MINING LIMITED MINING LEASE AREA - ML2/05 AS STATED BELOW:

BEACON SEQUENCE	X COORDINATES	Y COORDINATES
Α	770000	960450
В	771000	960800
С	771000	960000
D	772000	960000
E	772000	961150
F	774220	962660
G	776300	961000
Н	776300	956574
	776129.2	956415.3
J	776023.7	956482.1
K	775733.6	956438.4
L	775522.3	956508.9
M	775396.1	956608
N	775177.5	956541.9
0	775090.9	956551.1
P	775000.7	956576.4
Q	774899	956547
R	774583.4	956611
S	774418.2	956544.6
T	774313.3	956296.9
U	774268.9	956292.7
V	774218	956272.7
W	774219	956051.2
X	774175.6	955893.3
Υ	774156.4	955627.5
Z	774000	955474.3
AA	773669.2	955406
AB	773559.3	955287.5
AC	773573.8	955095.4
AD ·	773757.2	954818.2
AE	773786.6	954597.3
AF	773682.4	954541.5
AG	773523.5	954545.2
AH	773153.4	954834.1
AI	772958	954797

AJ	772763.4	954686.9
AK	772485.4	954641.4
AL	772485.4	958745.1
AM	770850	958200
CTUAL AREA OF MARAMP	A IRON ORE (SL) LIMITED = 225.2	7 SQ.KM.
	FFROKO, BUYA ROMENDE, MAFORKI, M	
DISTRICT: PORT LOKO		



14 October 2019

Ms Melissa Chapman Company Secretary Cape Lambert Resources Ltd 32 Harrogate Street West Leederville WA 6007

By email: melissac@capelam.com.au

Dear Ms Chapman

Cape Lambert Resources Ltd ('CFE'): Marampa Project Queries

ASX refers to the following:

A. CFE's quarterly activities report for the quarter ended 30 September 2018, released on ASX Market Announcements platform ("MAP") on 31 October 2018, in which CFE stated as follows

"During the quarter, the Company received a letter from the Sierra Leone Ministry of Mines (MOM) informing Marampa Iron Ore (SL) Limited (Marampa SL) of the cancellation of the Marampa Mining license ML05/2014 due to non-payment of fees. In September 2014, Marampa SL submitted to the MOM an application letter entitled "Force Majeure to all Cape Lambert Operations in Sierra Leone" which was acknowledged by the MOM. The Company understood that the agreement with the MOM was that force majeure events were acknowledged and authorised and as such no fees would accrue or be payable until a processing facility was operating and Marampa SL is producing iron ore from Marampa. The Company understands that the notice of cancellation of license letter has incorrectly been issued by the new Sierra Leone government who are not aware of the agreement. In order to protect it's (sic) position, Marampa SL has engaged Sierra Leone based lawyers BMT Law Chambers who has commenced legal action in the High Court of Sierra Leone against the cancellation of the licence."

The legal action is referred to as the "Litigation" in this letter.

- B. CFE's quarterly activities report for the quarter ended 30 June 2019, released on MAP on 31 July 2019, in which CFE stated it had a 100% interest in the Marampa Project and in particular a 100% interest in mining tenements EL 46A/2011 and ML 05/2014 (together the "Tenements") which comprise the Marampa Iron Ore Project. Beneath CFE's Tenement Status table in Appendix 1 of the report, the statement set out in paragraph A above was again included.
- C. CFE's announcement of 14 August 2019 titled "Cape Lambert Directs Focus to the Marampa Iron Ore Project" which stated that CFE had a renewed focus on the Marampa Iron Ore Project in Sierra Leone. The announcement further stated:

"In 2014, Marampa was granted its mining licence ML05/2014 ... and also achieved the issuance of its environment licences.

In October 2014, the Company announced that it had entered into a funding agreement with Timis Mining Corporation (Timis Mining), which had acquired the assets of London Mining Marampa Mine Assets (Marampa Mine) located on the adjacent mining licence ML02/09 (refer ASX announcement dated 22 October 2014) which included an agreement for Timis Mining to have exclusive rights to purchase and exploit, at their own expense, up to 100,000,000 tonnes or any other greater amount as defined by further drilling of oxidised ore from Marampa. Timis Mining later fell into administration due to the relatively low iron price. In 2017, Gerald Metals, in questionable circumstances, obtained a new licence over ML 02/09 and undertook refurbishment work on the process plant to recommence production, refer Figure 5, with their first shipment of concentrate in June 2019. On 3 August 2019, however, the Government of Sierra Leone (GOSL) announced

that it had cancelled the licence of Gerald Metals and Shandong Iron and Steel (owner of the Tonkolili Project and Pepel rail and port...)."

and

"The relatively high iron price through 2019 has resulted in third parties showing an interest in the Marampa Project. The [Government of Sierra Leone] has also expressed interest for the Company to acquire the Marampa Mine, with the view that it could be merged with the Marampa Project and use the Pepel port and rail to export its product. Given this, the Company will refocus its efforts in pursuing the interested third parties and others with the hope of progressing the Marampa Project to development. The Company has commenced the application process of reissuance for the relevant licences."

D. CFE's announcement of 23 August 2019 titled "Clarification Announcement" in which it stated as follows:

"Cape Lambert retracts its statement that Gerald Metals obtained the licence for the Marampa Project under "questionable circumstances". Cape Lambert has no credible information to suggest that Gerald or its subsidiary SL Mining obtained the licence for the Marampa Project under questionable, improper or unlawful circumstances.

On 3 August 2019, the Government of Sierra Leone announced that it had temporarily suspended Gerald's licence with respect to the Marampa Project. As reported in the media, Cape Lambert clarifies that Gerald's licence never was "cancelled" by the Government of Sierra Leone and that Gerald and SL Mining continue to hold a valid licence over the Marampa Project.

The Company's plans to refocus activities on the Marampa iron ore project (Marampa Project) located 90 km northeast of Freetown, Sierra Leone, West Africa has not changed. The Company has commenced the application process for reissuance of the relevant licences. The Government of Sierra Leone owned Pepel port and rail infrastructure remain available to support the development of the Marampa Project and export of its product."

E. CFE's ASX announcement released on MAP on 11 September 2019 titled "Cleansing Prospectus", which states on page 14 in relation to the "Marampa SL Licence" that:

"The Company has commenced the application process for reissuance of the relevant licences (refer ASX Announcement 14 August 2019). There is a risk that this process may not be successful and the relevant licences reissued, or that they are reissued on terms less favourable to the Company."

The "relevant licences" referred to in CFE's 14 and 23 August and 11 September 2019 announcements are referred to in this letter as the "Relevant Licences".

- F. CFE's ASX announcement released on MAP on 11 October 2019 titled "Marampa Iron Ore Project Update", which notes that further to CFE's announcements of 14 August and 23 August 2019, CFE has had recent positive meetings with officials from the Government of Sierra Leone and have developed a clear way forward and are progressing the licensing application process. It also states that the Government of Sierra Leone has confirmed that on 9 October 2019, it cancelled Gerald Metals' licence (ML02/09) with respect to the Marampa Mine.
- G. On the "Projects and Investments" page of CFE's website (accessed 11 October 2019), it states that the Marampa Project comprises one granted mining licence (ML05/2014) and one granted exploration licence (EL46A/2011) held by Marampa SL, which is indirectly a wholly owned subsidiary of CFE and that the Marampa Project remains under care and maintenance (https://www.capelam.com.au/projects-investments/).

Request for Information

Having regard to the above, ASX asks CFE to respond separately to each of the following questions and requests for information:

Marampa Project tenure

- 1. What interest does CFE currently have in the Marampa Project and, in particular, the Tenements?
- 2. Please provide ASX with documents confirming CFE's current interest in the Tenements. If the documents are not in English, please provide a certified translation of the documents
- 3. Please provide details of the Relevant Licences referred to in CFE's 14 and 23 August and 11 September 2019 announcements. Are they the same as the Tenements? Do the Relevant Licences include ML 02/09?
- 4. Why has CFE made an application for reissuance of the Relevant Licences?
- 5. When did CFE make an application for reissuance of the Relevant Licences?
- 6. Please provide documents confirming CFE's application for reissuance of the Relevant Licences. If the documents are not in English, please provide a certified translation of the documents
- 7. Please explain the process involved in the reissuance of the Relevant Licences and the approximate time frame for the reissuance.
- 8. If CFE does not currently have an interest in the Marampa Project or Tenements why has it disclosed that it has a 100% interest in the Marampa Project and the Tenements and is directing its focus to the Marampa Project?
- 9. What activities does CFE propose to undertake on the Marampa Project and when is it proposed that these activities will commence? In answering this question, please include a budget for the proposed exploration activities and related expenditure.
- 10. Does CFE consider the cancellation of ML05/2014 by the Sierra Leone Ministry of Mines to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
- 11. If the answer to question 10 is "no", please advise the basis for that view.
- 12. If the answer to question 10 is "yes" and CFE first became aware of the cancellation of ML05/2014 before 31 October 2018, did CFE make any announcement prior to the relevant date which disclosed this? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe CFE was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps CFE took to ensure that the information was released promptly and without delay.

Legal action in the High Court of Sierra Leone

- 13. Does CFE consider the Litigation to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
- 14. If the answer to question 13 is "no", please advise the basis for that view.
- 15. If the answer to question 13 is "yes" and CFE first became aware of the Litigation before 31 October 2018, did CFE make any announcement prior to the relevant date which disclosed this? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe CFE was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps CFE took to ensure that the information was released promptly and without delay.
- 16. Please provide an update on the current status of the Litigation.

Compliance and authorisation

17. Please confirm that CFE is complying with the Listing Rules and, in particular, Listing Rule 3.1.

18. Please confirm that CFE's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CFE with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than 3:00 pm AWST Friday, 18 October 2019.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CFE's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph and may require CFE to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 Trading Halts & Voluntary Suspensions.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CFE's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B.* It should be noted that CFE's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in CFE's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Elizabeth Harris

Manager, Listings Compliance (Perth)