

**CAPE LAMBERT RESOURCES LIMITED
ACN 095 047 920**

CLEANSING PROSPECTUS

For an offer of up to 20,000 Shares at an issue price of \$0.004 per Share to raise up to \$80 (before expenses) (**Offer**).

This Prospectus has been prepared primarily for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Shares offered by this Prospectus should be considered highly speculative.**

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1. CORPORATE DIRECTORY

Directors

Tony Sage
Executive Chairman

Stefan Muller
Non-Executive Director

Tim Turner
Non-Executive Director

Registered Office

32 Harrogate Street
West Leederville WA 6007

Telephone: + 61 8 9380 9555
Facsimile: +61 8 9380 9666

Company Secretary

Melissa Chapman

ASX Code

CFE

Website

www.capelam.com.au

Share Registry*

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
Perth WA 6000

Telephone: 1300 85 05 05 (Australia)
Telephone: +61 3 9415 4000 (Overseas)

Auditors*

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

2.1 Indicative Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	6 January 2020
Opening Date	6 January 2020
Closing Date*	5.00pm (WST) 6 April 2020
Expected date for quotation of Shares issued under the Offer on ASX*	6 April 2020

* The above dates are indicative only and may change without notice. The Directors reserve the right to vary these dates, including the Closing Date, without notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to applicants.

2.2 Important Notes

This Prospectus is dated 6 January 2020 and was lodged with the ASIC on that date. The ASIC, the ASX and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with Section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.3 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Shares under this Prospectus.

2.4 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

2.5 Applicants outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

2.6 Disclaimer

No person is authorised to give information or to make any representation in connection with the Offer described in this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer. You should rely only on information in this Prospectus.

2.7 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and our management.

The Company cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements.

2.8 Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

3. DETAILS OF THE OFFER

3.1 The Offer

Pursuant to this Prospectus and for the purposes of section 708A(11) of the Corporations Act (see section 3.4 below), the Company invites investors identified by the Directors to apply for up to 20,000 Shares at an issue price of \$0.004 per Share, to raise up to \$80 (before expenses).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. A high-level summary of the material rights and liabilities attaching to the Shares is set out in Section 5.

3.2 Minimum subscription

There is no minimum subscription.

3.3 Oversubscriptions

No oversubscriptions will be accepted by the Company.

3.4 Purpose of the Offer

The Company has issued, or agreed to issue, Shares without disclosure under Chapter 6D of the Corporations Act.

The purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus).

Relevantly, Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

3.5 Applications

Applications for Shares under the Offer must only be made by investors at the direction of the Company and using the Application Form accompanying this

Prospectus. By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

Payment for Shares must be made in full at the issue price of \$0.004 per Share.

Completed Application Forms and accompanying cheques, made payable to "**CAPE LAMBERT RESOURCES LIMITED**" and crossed "**Not Negotiable**", must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date.

The Company reserves the right to close the Offer early.

3.6 Not underwritten

The Offer is not underwritten.

3.7 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

3.8 Issue

The issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date. Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of all the Shares. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

The Company's decision on the number of Shares to be allocated to an Applicant will be final.

3.9 Defects in Applications

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

3.10 Applicants outside Australia

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.11 Enquiries

Any questions concerning the Offer should be directed to Ms Melissa Chapman, Company Secretary, on +61 8 9380 9555.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date, (including prior to the date of this Prospectus).

Under the Offer, an amount of approximately \$80 (before expenses) may be raised. All of the funds raised (if any) from the Offer will be applied towards the expenses of the Offer. Refer to Section 6.8 for further details relating to the estimated expenses of the Offer.

4.2 Effect on capital structure

The effect of the Offer on the capital structure of the Company is set out below.

Shares

	Number
Shares currently on issue	1,104,474,020
Shares offered pursuant to the Offer ¹	20,000
Total Shares on completion of the Offer¹	1,058,493,876

Notes:

¹ This assumes the Offer is fully subscribed

Options

	Number
Unquoted; exercise price \$0.07 each; expiry date 12 March 2020	15,336,363
Unquoted; exercise price \$0.07 each; expiry date 19 March 2020	7,667,727
Unquoted; exercise price \$0.04 each; expiry date 31 March 2020	5,250,000
Unquoted; exercise price \$0.03 each; expiry date 30 June 2021	15,000,000
Unquoted; exercise price \$0.05 each; expiry date 13 December 2020	5,000,000
Total Options on issue	48,254,090

Convertible Note

	Number
Convertible notes currently on issue – MEF I L.P. ¹	176,731
Convertible notes currently on issue – Winance Investment LLP ²	930
Total Convertible Notes on issue	209,156

Notes:

¹ Refer to ASX announcement 17 December 2018 and 6 January 2020 for terms and conditions. The Company currently has 176,731 remaining Magna Notes on issue and matures on 20 March 2020 (the **Remaining Magna Notes**). The Remaining Magna Notes cannot convert into share without shareholders approval hence are debt securities. The Company is seeking shareholder approval at its annual general meeting on 11 February 2019 to replace the 176,731 Remaining

Magna Notes with 176,731 replacement Magna Notes that can be converted to ordinary shares in the capital of the Company at the election of Magna and otherwise on the same terms as the Remaining Magna Notes.

² Refer to ASX announcement 31 July 2019 and 6 January 2020 for terms and conditions. Winance Investment LLP has requested the conversion of 60 convertible notes, which will result in the issue of 12,000,000 Shares. Of the 930 Winance notes, 210 Winance notes are equity securities and 720 Winance notes are debt securities. The Company is seeking shareholder approval at its annual general meeting on 11 February 2019 to replace the 720 Winance notes with 720 replacement Winance notes that can be converted to ordinary shares in the capital of the Company at the election of Winance and otherwise on the same terms as the 720 Winance notes.

4.3 Financial effect of the Offer

After paying for the expenses of the Offer of approximately \$2,400, there will be no proceeds from the Offer. The expenses of the Offer will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position, being receipt of funds of \$80 less expenses of the Offer of \$2,400.

However, set out below is the audited consolidated statement of financial position of the Company as at 30 June 2019 and the audited pro forma consolidated statements of financial position of the Company. These have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position resulting from the issue of convertible notes to Winance Investment LLP, the Winance Conversion, the Magna Conversion and then the Offer (including expenses of the Offer) and assumes no further Shares are issued (including by way of exercise of Options).

The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements. The significant accounting policies upon which the consolidated statement of financial position and the pro forma consolidated statements of financial position are contained in the audited financial report for the year ended 30 June 2019.

	Adjustments	Consolidated audited 30-Jun-19	Consolidated Pro Forma 30-Jun-19
Current Assets			
Cash and cash equivalent	(i)	210,106	415,703
Restricted cash		12,500	12,500
Trade and other receivables		224,612	224,612
Total Current Assets		447,218	652,815
Non-Current Assets			
Other financial assets		997,055	997,055
Investments accounted for using the equity method		6,030,739	6,030,739
Restricted cash		81,833	81,833
Property, plant and equipment		94,725	94,725
Total Non-Current Assets		7,204,352	7,204,352
Total Assets		7,651,570	7,857,167
Current Liabilities			
Trade and other payables	(ii)	4,626,823	4,330,564
Provisions	(iii)	206,257	82,462
Current tax liabilities	(iv)	1,041,679	781,507
Convertible note	(v)	459,737	1,491,171
Short term loan payable		733,001	733,001
Total Current Liabilities		7,067,496	7,418,705
Non-Current Liabilities			
Long term loan payable		689,734	689,734
Non-current tax liabilities		2,861,893	2,861,893
Total Non-Current Liabilities		3,551,627	3,551,627
Total Liabilities		10,619,123	10,970,332
Net Assets		(2,967,553)	(3,113,164)
Issued capital	(vi)	203,295,135	203,437,382
Reserves		23,796,340	23,796,340
Accumulated losses		(230,059,028)	(230,346,886)
Net Assets		(2,967,553)	(3,113,164)

Adjustments to the Pro-Forma Balance Sheet table above:

Note (i) – Cash and cash equivalent	\$
Per audited balance sheet as at 30 June 2019	210,106
Issue of Shares under the Offer	80
Costs associated with the Offer	(2,400)
Winance convertible note	1,200,000
Magna payment (refer 4.2)	(92,857)
Cash payments (including costs of Winance convertible notes)	(899,226)
Per Pro-Forma balance sheet as at 30 June 2019	415,703

Note (ii) – Trade and other payables	\$
Per audited balance sheet as at 30 June 2019	4,626,823
Repayments	296,259
Per Pro-Forma balance sheet as at 30 June 2019	4,330,564

Note (iii) – Provisions	\$
Per audited balance sheet as at 30 June 2019	206,257
Adjustments	123,795
Per Pro-Forma balance sheet as at 30 June 2019	82,462

Note (iv) – Current tax liability	\$
Per audited balance sheet as at 30 June 2019	1,041,679
Repayments	260,172
Per Pro-Forma balance sheet as at 30 June 2019	781,507

Note (v) – Convertible note	\$
Per audited balance sheet as at 30 June 2019	459,737
Winance convertible note	1,200,000
Shares to be issued under the Winance Conversion	(30,000)
Shares to be issued under the Magna Conversion	(114,567)
Per Pro-Forma balance sheet as at 30 June 2019	1,491,171

Note (vi) – Issued capital	\$
Per audited balance sheet as at 30 June 2019	203,295,135
Issue of Shares under the Offer	80
Shares to be issued under the Winance Conversion	30,000

Shares to be issued under the Magna Conversion	114,567
Costs associated with the Offer	(2,400)
Per Pro-Forma balance sheet as at 30 June 2019	203,437,382

5. RIGHTS ATTACHING TO SHARES

The following is a summary of the more significant rights attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

5.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

5.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that

they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

5.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

5.5 Shareholder liability

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

5.6 Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

5.7 Variation of rights

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

5.8 Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In

addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report on 27 September 2019 and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
06/01/2020	Cleansing Prospectus
06/01/2020	Appendix 2A
06/01/2020	Notice of Annual General Meeting
06/01/2020	Reconciliation of securities issued and compliance LR 7.1/7.1A
06/01/2020	Loan Agreement
02/01/2020	Trading Halt
31/10/2019	Extension of Cleansing Prospectus Closing Date
31/10/2019	Quarterly Activities Report and Appendix 5B
25/10/2019	Appendix 3B
24/10/2019	Appendix 3B
23/10/2019	Cape Lambert Review of Activities
22/10/2019	Marampa Iron Ore Tenements
22/10/2019	Response to ASX Query
21/10/2019	Trading Halt
11/10/2019	Appendix 3B
11/10/2019	Marampa Iron Ore Project Update
09/10/2019	Announcement by Fe Limited
07/10/2019	CFE Chairmans Contract and Board Remuneration
30/09/2019	Extension of Cleansing Prospectus Closing Date
30/09/2019	Appendix 3B
27/09/2019	Appendix 4G

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at www.capelam.com.au.

6.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus on 5 January 2020 with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.0045	11, 12, 13, 15, 18 and 19 November 2019 and 5, 23, 24, 27 and 30 December 2019
Lowest	\$0.004	6, 7, 8, 14, 20, 21, 22, 25, 26, 27, 28 and 29 November 2019 and 2, 3, 4, 6, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20 and 31 December 2019 and 2, 3, and 6 January 2020
Last	\$0.004	6 January 2020

6.4 Substantial Shareholders

Those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
JP Morgan Nominees Australia	323,074,200	28.94
Gulf Energy International Limited	117,500,000	10.52
Okewood Pty Ltd	77,516,681	6.94
HSBC Custody Nominees (Australia) Limited	57,126,794	5.12

6.5 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

(a) as an inducement to become, or to qualify as, a Director; or

(b) for services provided in connection with:

(i) the formation or promotion of the Company; or

(ii) the Offer.

Security Holdings

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below:

Director	Shares	Options
Antony Sage	77,766,681 ¹	Nil
Stefan Muller	3,500,000	Nil
Tim Turner	1,523,000 ²	Nil

Notes:

¹ 77,516,681 Shares held by Okewood Pty Ltd and 250,000 Shares held by PG Partnership, entities that are controlled by Mr Sage.

² 1,500,000 Shares held by the Woody Superannuation Fund, a fund controlled by Mr Turner. 23,000 Shares held by Halle Woody Pty Ltd, company and fund controlled by Mr Turner.

No Director or any of their associates intend to participate in the Offer.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the annual remuneration paid to both executive and non-executive Directors inclusive of superannuation for the past financial year and the proposed remuneration for financial year 2020.

	Financial Year 2020 (\$) (Proposed)	Financial Year 2019 (\$) (Actual)
Antony Sage	TBC ¹	700,000
Tim Turner	60,000	60,000
Stefan Muller	24,000	24,000
TOTAL	TBC	784,000

Notes:

¹ The Company and Mr Sage are parties to a consultancy agreement under which Mr Sage is entitled to remuneration of \$700,000; with 10-20% subject to meeting key performance milestones approved by the Company's remuneration committee. That agreement expired on 31 October 2019 and the parties are currently negotiating new terms.

6.6 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

6.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons

named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus, Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

6.8 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$2,400 (excluding GST) and are expected to comprise ASIC fees. The estimated expenses will be paid out of the Company's existing working capital.

6.9 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.capelam.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

6.10 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

6.11 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Tony Sage
Executive Chairman
For and on behalf of
CAPE LAMBERT RESOURCES LIMITED

8. GLOSSARY

\$ means an Australian dollar.

Applicant means an investor that applies for Shares under the Offer using an Application Form pursuant to this Prospectus.

Application Form means the application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors as constituted from time to time.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Section 2.1 (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company means Cape Lambert Resources Limited (ACN 095 047 920).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Magna Conversion means the partial conversion of convertible notes to MEF I LP.

Offer means the offer of Shares referred to in Section 3.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Opening Date means the opening date of the Offer as set out in the indicative timetable in the Section 2.1.

Option means an option to acquire a Share.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Winance Conversion means the partial conversion of convertible notes to Winance Investment LLC.

WST means Western Standard Time as observed in Perth, Western Australia.