

ANNUAL REPORT 2015

Advancing undervalued mineral assets

CAPE LAMBERT RESOURCES LIMITED
ABN 71 095 047 920
AND ITS CONTROLLED ENTITIES

ANNUAL REPORT
For the Year Ended 30 June 2015

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CORPORATE DIRECTORY

Directors

Mr Tony Sage - Executive Chairman
Mr Tim Turner - Non-Executive Director
Mr Ross Levin - Non-Executive Director
Mr Jason Brewer - Non-Executive Director

Company Secretary

Ms Melissa Chapman

Stock Exchange Listing

Australian Securities Exchange
ASX code: CFE

Website

www.capelam.com.au

Country of Incorporation

Australia

Registered Address

32 Harrogate Street
West Leederville, WA 6007
Australia
Tel: +61 8 9380 9555

Bankers

National Australia Bank
100 St George's Terrace
Perth, WA 6000

Australian Public Relations

Professional Public Relations
Level 1
588 Hay St
Subiaco, WA 6008
Tel: +61 8 9388 0944

Auditors

Ernst & Young
11 Mounts Bay Road
Perth, WA 6000
Tel: +61 8 9429 2222
Fax: +61 8 9429 2436

Share Registry

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
Perth, WA 6000
AUSTRALIA
Tel: 1300 85 05 05 (Australia)
+61 3 9415 4000 (Overseas)

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CHAIRMAN'S LETTER

Dear Shareholders

On behalf of the Board of Directors I present the Annual Report of Cape Lambert Resources Limited for the financial year ended 30 June 2015.

This past financial year has been another tumultuous period for commodity prices, global equities and junior resource stocks and we have suffered along with everyone else in the mining exploration industry.

Throughout the period, Cape Lambert Resources has remained steadfast in its strategy of acquiring and investing in assets that are distressed or undervalued and adding value to these assets, retaining long-term exposure through royalty agreements or equity interests.

This approach is clearly visible when considering the Company's activities at the wholly-owned Marampa iron ore project in Sierra Leone.

On 5 November 2014 Cape Lambert Resources announced that it had finalised a US\$20 million funding/royalty agreement with Timis Mining Corporation, providing Cape Lambert with a US\$2 per tonne royalty on all iron concentrate exported from the mine. This same royalty, on the then London Mining owned Marampa, was purchased by Blackrock in 2012 for US\$112 million.

While the royalty agreement was originally payable over a four year period, the temporary suspension of production at the mine has led to an amendment of the agreement to be based on the production of 24 million tonnes of iron concentrate.

To date, Cape Lambert has received a total of A\$400,000 funding from the royalty agreement with US\$2.6 million still outstanding on shipped ore, and we remain hopeful of a recommencement of mining at the project once all the internal issues are resolved.

In regards to corporate activities, I am pleased to report that Cape Lambert has progressed on two separate fronts.

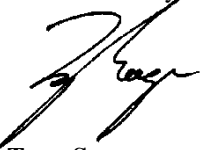
Firstly, the Company has reached settlement with the Australian Taxation Office (ATO) relating to a A\$96 million Notice of Amended Assessment, as reported on 1 August 2014. The settlement has seen Cape Lambert make a net final payment to the ATO of approximately \$2.4 million.

Secondly, Cape Lambert was able to reward shareholders for their ongoing support. During the period Cape Lambert returned approximately A\$12.5 million in fully-franked dividend payments. The Board regrets the cancellation of a second dividend payment however determined that current iron ore prices are prohibitively volatile and that the Company is unable to return additional funding at this time.

Dividend payments are consistent with the Company's goal of driving value and returning surplus cash to shareholders, and the Company intends to maintain its commitment to this objective.

I would like to thank you as a shareholder of Cape Lambert for your continued support throughout the financial year and I am optimistic about future growth prospects for Cape Lambert Resources, as I have recently purchased approximately 30 million shares.

Yours faithfully



Tony Sage
Executive Chairman

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PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

Marampa Project

Location and Overview:

The Marampa Iron Ore Project (**Marampa**) is a brownfields hematite iron ore project at the development and permitting stage, and is located 90 km northeast of Freetown in Sierra Leone, West Africa (**Figure 1** and **2**).

Marampa comprises one mining licence (ML05/2014) comprising 97.40km² and two granted exploration licences (EL46A/2011 – 145.86km² and EL46B/2011 – 66.00 km²). The licences are held by Marampa Iron Ore (SL) Limited, indirectly a wholly owned subsidiary of the Company. Marampa has access to a stockpiling and ship loading facility located at Pepel Port via a 73 km railway operated by a subsidiary of African Minerals Limited (AIM:AML) (**AML**).



Figure 1:Marampa Iron Ore Project Location

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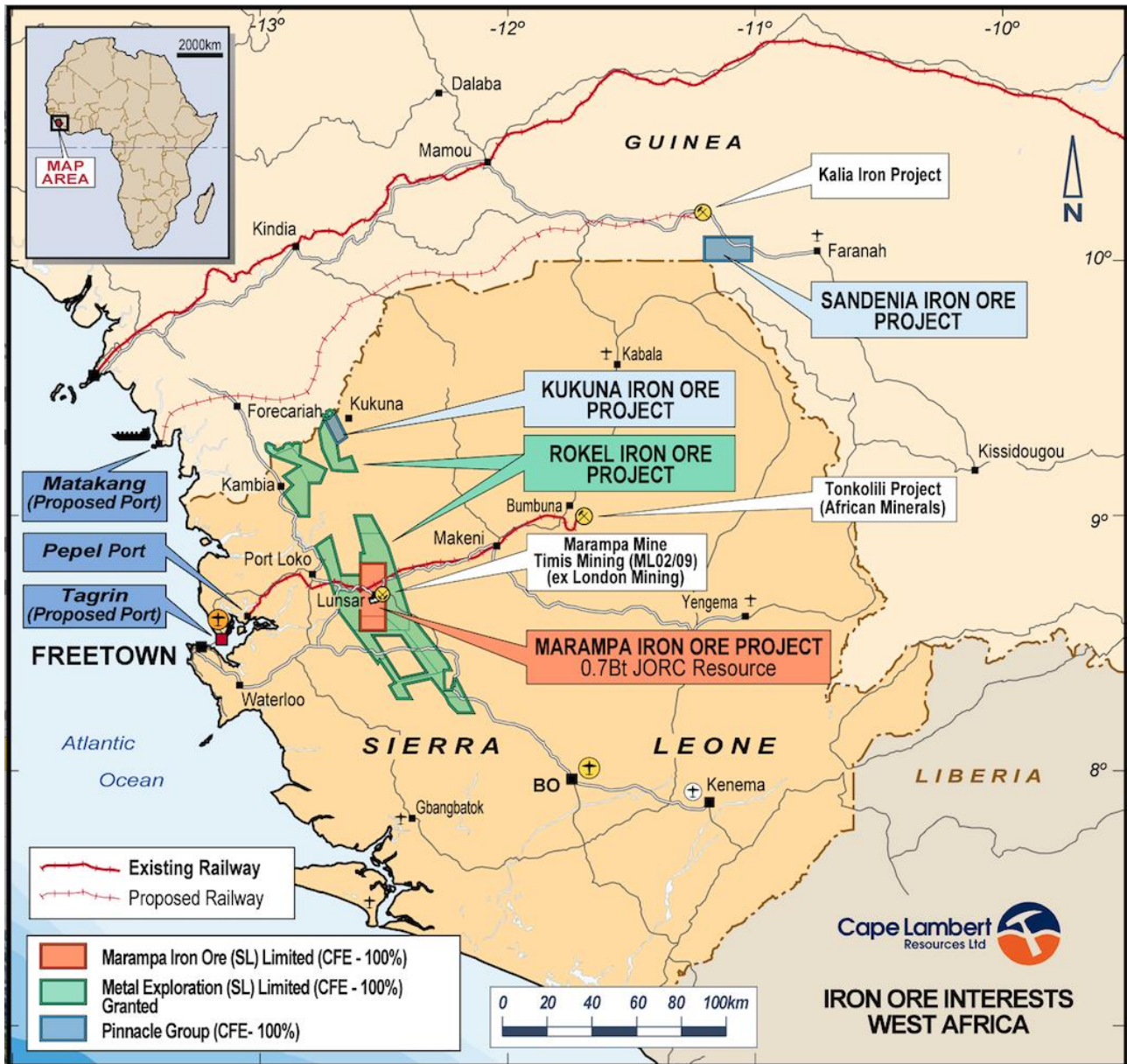


Figure 2: Regional Map showing the Company's Assets in Sierra Leone and Guinea.

Mining Licence

On 15 October 2014, the Company received a notice from the Ministry of Mineral Resources (**MoMR**) that its Large Scale Mining Licence application lodged late in 2013 was approved (refer **Figure 3**). In anticipation of the negotiation of the associated mine lease agreement, that sets out the terms and conditions under which the Company would operate the large scale mine, the Company has drafted a mine lease agreement as a basis for negotiation with the Government of Sierra Leone, which due to the current state of the iron ore market is yet to commence.

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Downsizing

The Company instituted cost reduction measures at Marampa and downsized its workforce to a skeleton, care and maintenance crew while current market uncertainties exist. The downsizing measures were finalised in April 2015.

Kukuna Project

The Kukuna Project (**Kukuna**) is located 120 km northeast of Freetown in the northwest of Sierra Leone and comprises one exploration licence covering 68 km² (refer **Figure 2 and Figure 4**). The licence area is located approximately 70 km due north of Marampa.

The Kukuna project is currently under care and maintenance.

Rokel Project

Metal Exploration (SL) Limited, a wholly owned subsidiary of the Company, holds a land package of 15 granted licences and applications in Sierra Leone totalling approximately 1,688km², covering the region 70 km to the north and south of Marampa (**Figure 2 and Figure 4**). This land package is referred to as the Rokel Iron Ore Project (**Rokel**) and is prospective for discovery of hematite schist deposits geologically similar to those found at Marampa. Regional mapping and geophysics has identified a number of prospective areas that are progressively being followed up with targeted exploration.

Exploration:

Exploration throughout the year continued to focus on the regional northerly and southerly strike extents of the Kumrabai prospect. Reconnaissance exploration in the form of line cutting, mapping, rock chip sampling and pit excavation continued in the prospect area of Kumrabai South where the Soroko prospect has been identified. Additional prospects further south have also been identified at Makumba, Matopi, Petifu, Bongona and Bahama (refer **Figure 4**).

Surface definition of these mineralised trends on the northern leases, and as extensions to known mineralisation, as well as the ongoing follow up of geophysical anomalies, have been identified to both the north and south of Dempsey Resource's Kukuna mineralisation (refer **Figure 4**) by way of mapping, pitting and trenching.

Follow up strike extensional mapping, pitting and trenching of the magnetite rich gneissic unit along the western edge of the tenement group continued with limited success. No magnetite rich units were mapped on the Lankono lease to the north, however, mapping of the Gbinti West tenement to the north of Lankono has yet to be undertaken.

Notification of the acceptance of 2 exploration lease relinquishments and partial relinquishments to 12 of the remaining 15 leases was received from the Ministry of Mining and Mineral Resources (MMMR). These relinquishments reduce the tenement holding to 15 exploration licences (previously 17) with an associated reduction in area from 2,386 square kilometres to 1,688 square kilometres.

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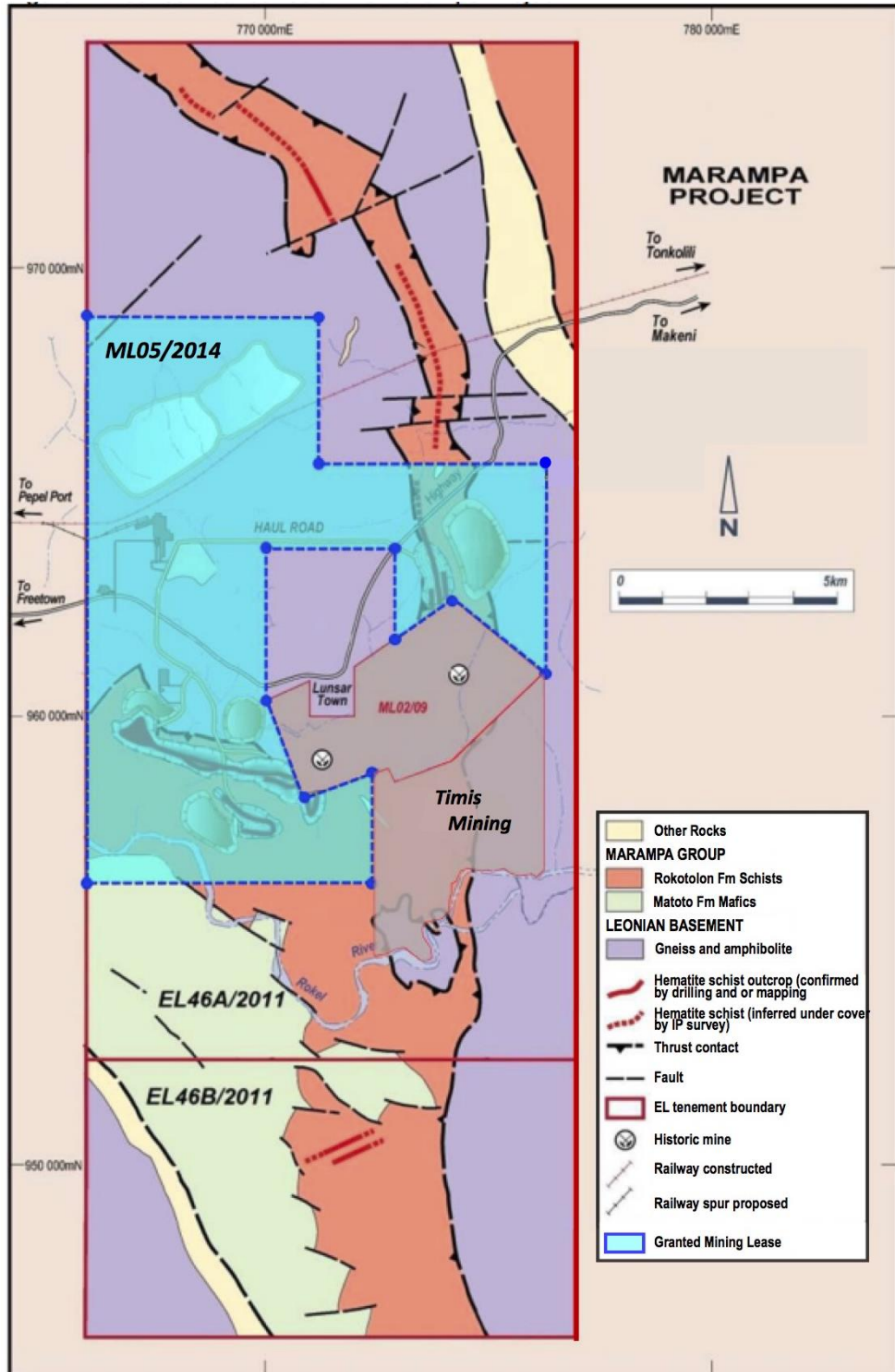


Figure 3: Marampa Geology showing granted Mining Licence

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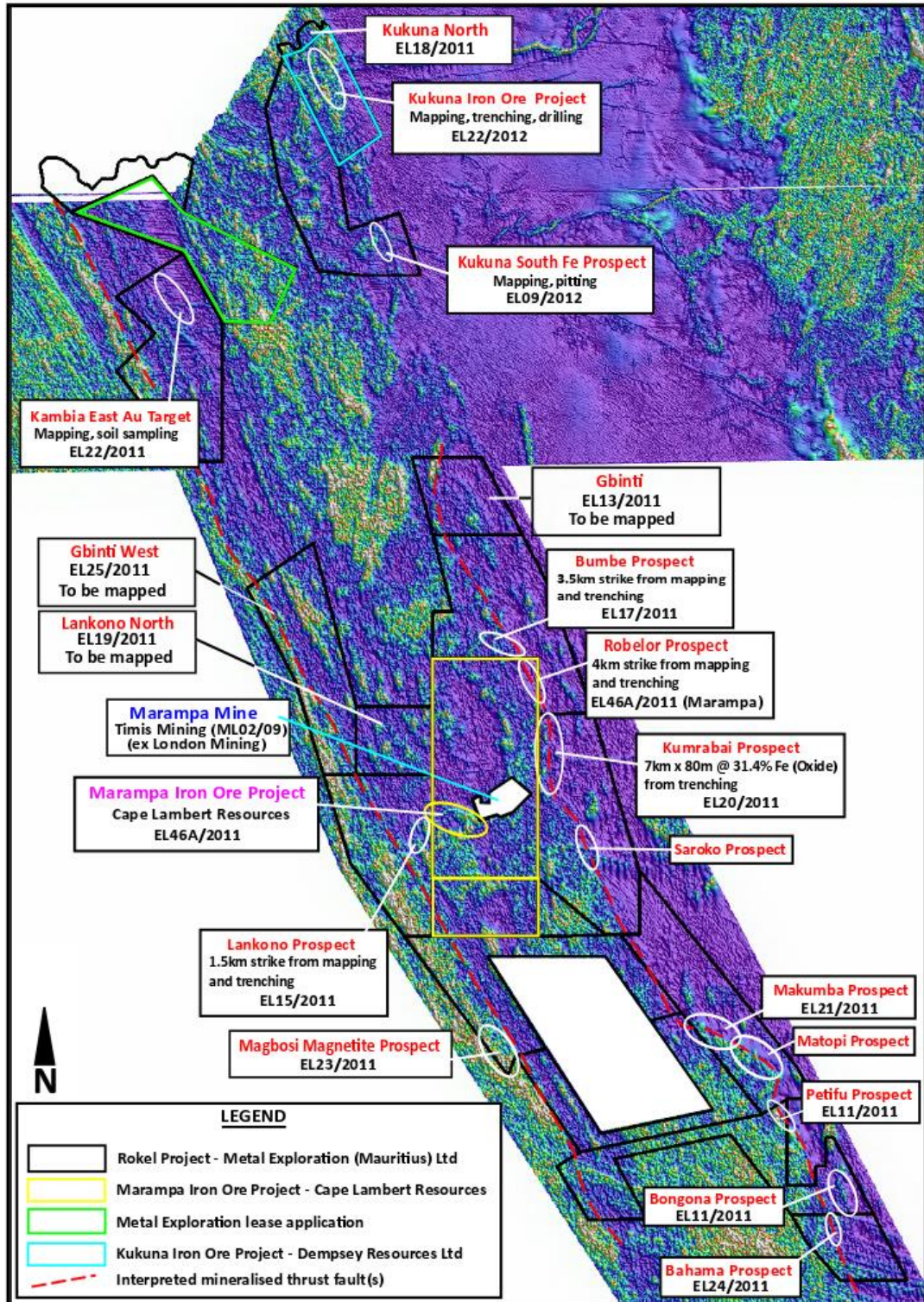


Figure 4: Rokel – Updated Tenements after Relinquishments Showing Identified Prospects

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Sandenia Project

The Sandenia Project (**Sandenia**) is located 290 km east of Conakry in the central south of the Republic of Guinea and comprises one exploration permit covering 298 km² (refer **Figure 2**). The Sandenia tenement contains rocks of archean age that are prospective for iron mineralisation, which are similar to the host rocks that contain the 6.16 Bt Kalia deposit owned by Bellzone Mining plc located on the adjacent permit to the north.

The camp and facilities at Sandenia have been placed on care and maintenance and the Company is continuing to seek divestment opportunities for the project.

Cote D'Ivoire Project

Metals Exploration Cote D'Ivoire SA is a wholly owned subsidiary of the Company and was granted three tenements in the highly prospective Birimian Gold Belt of Cote D'Ivoire. The tenements are named Boundiali North (EL285 – 400 km²), Katiola (EL284 – 400 km²) and Bouake (EL286 – 400 km²) for a total land position of 1,200km² (**Figure 5**).

The tenements all contain, or are adjacent to, Birimian Greenstones and metasediments and have significant structural characteristics known to host high tenor gold mineralisation in the district. The Birimian Group is broadly divided into phyllites, tuffs and greywackes of the Lower Birimian (Type 2 metasediments), and various basaltic to andesitic lavas and volcanoclastics of the Upper Birimian (Type 1 Greenstone metavolcanics). Spatial distribution of gold mineralisation appears to be governed by north to northeast trending belts of metavolcanic rocks, ranging from 15 km to 40 km in width, associated with the Upper Birimian.

The Birimian Gold Belt is host to numerous multi-million ounce gold deposits including the Morila (7 Moz), Syama (7 Moz) and Tongon (4 Moz) deposits. Almost without exception, these major gold deposits are located at or close to the margins of the metavolcanic belts, adjacent to the strongly deformed contacts between the Upper and Lower Birimian sequences as seen to exist within the Company's granted tenements.

Exploration:

Airborne geophysical and radiometric surveys and subsequent ground truth mapping to validate interpreted structures over the three tenements were carried out. A major southwest – northeast trending structural corridor within Birimian Greenstones, supported by anomalous rock chip samples with up to 1.23g/t Au, (refer March 2015 ASX Quarterly Report), has been identified in the central-eastern region of the Katiola lease (EL284 - refer **Figure 6**). Artisanal activity is ubiquitous along this corridor with gold recovered from pans being very angular in shape, consistent with derivation from relatively local sources. The presence of a large (interpreted) intrusion in the north, and possible smaller intrusions in the south enhances prospectivity of this structure. Several cross-cutting later faults offset the main shear zones, and may provide additional pathways or zones of extension for the accumulation of mineralising fluids, but at this stage it remains unclear whether any of these structures were active during the mineralisation.

A similar trending structural corridor, with rock chip samples up to 10.2g/t Au, (refer March 2015 ASX Quarterly Report), has been identified in the southeast corner of the Boundiali lease (EL285 - refer **Figure 7**). The gold tenor appears to be recorded both in quartz veins and in the encasing talc schist host rocks.

A similar southwest – northeast trending regional structural corridor was identified on the Bouake lease, however associated rock chip sampling results were largely disappointing and no artisanal activity was noted in the area.

Regional broad based soil sampling programs on 1,000m x 500m spacing have been recommended as follow up along these structural corridors.

Expressions of interests for a possible farm in and joint venture on the Bouake, Katiola and Boundiali projects have been sought. Positive feedback was received from a major international explorer and gold producer who have

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subsequently signed an agreement to conduct a stream sediment sampling program on the Katiola and Boundiali tenements.

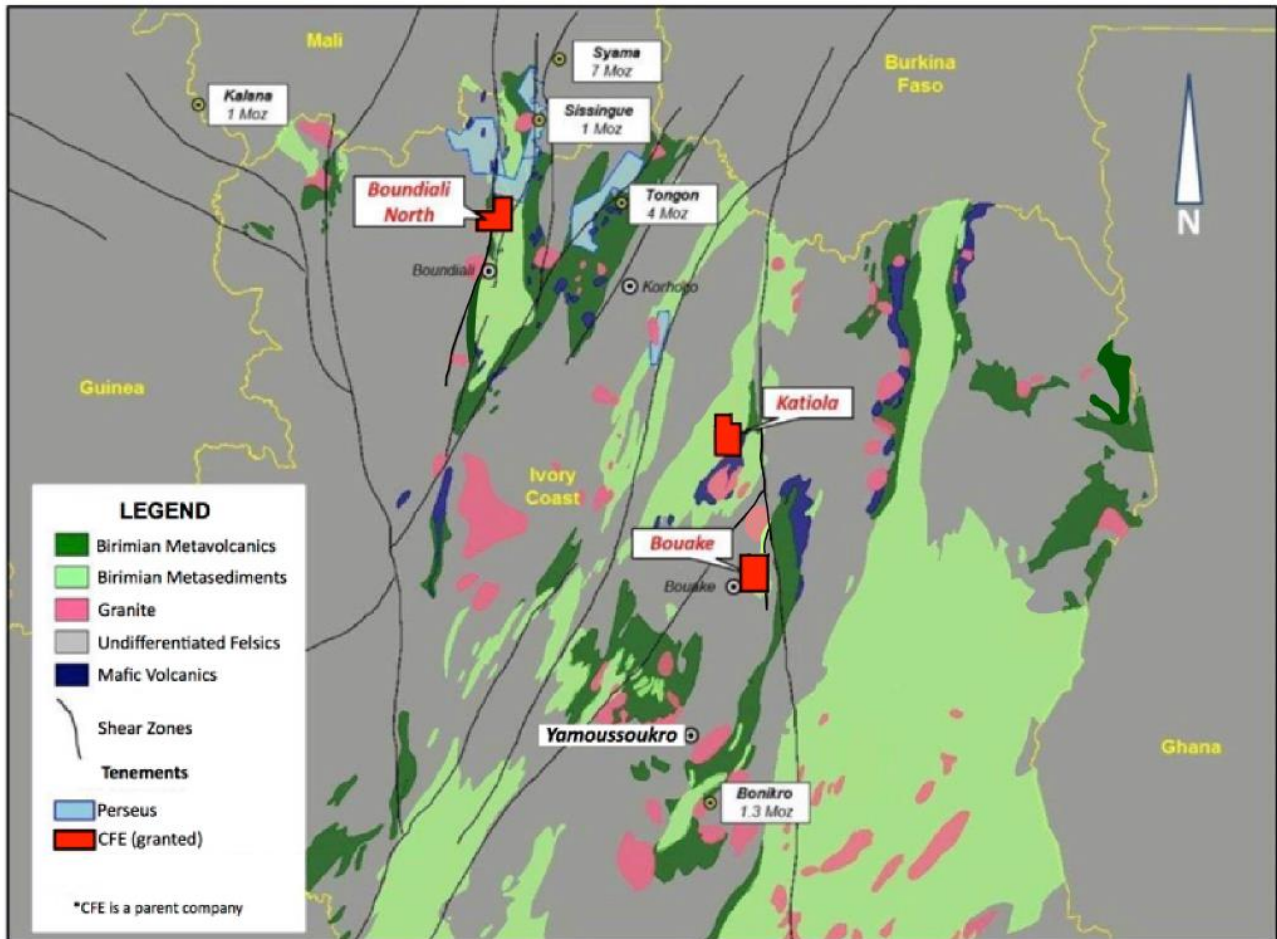


Figure 5: Cote d'Ivoire Tenement Locations

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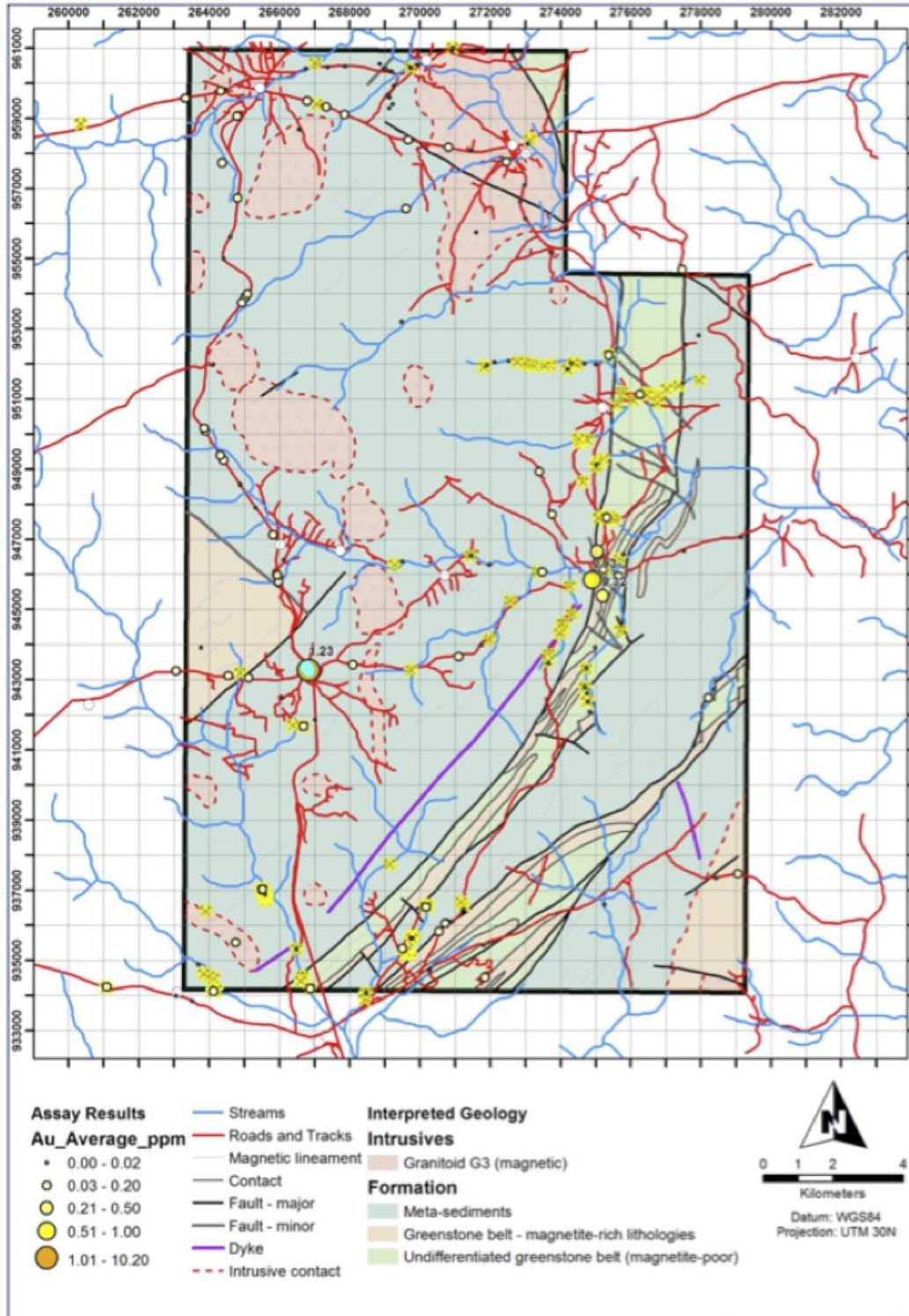


Figure 6: Katiola (EL284) Interpreted Geology from Aeromagnetic Interpretation and Ground Truth Mapping with Assay Results

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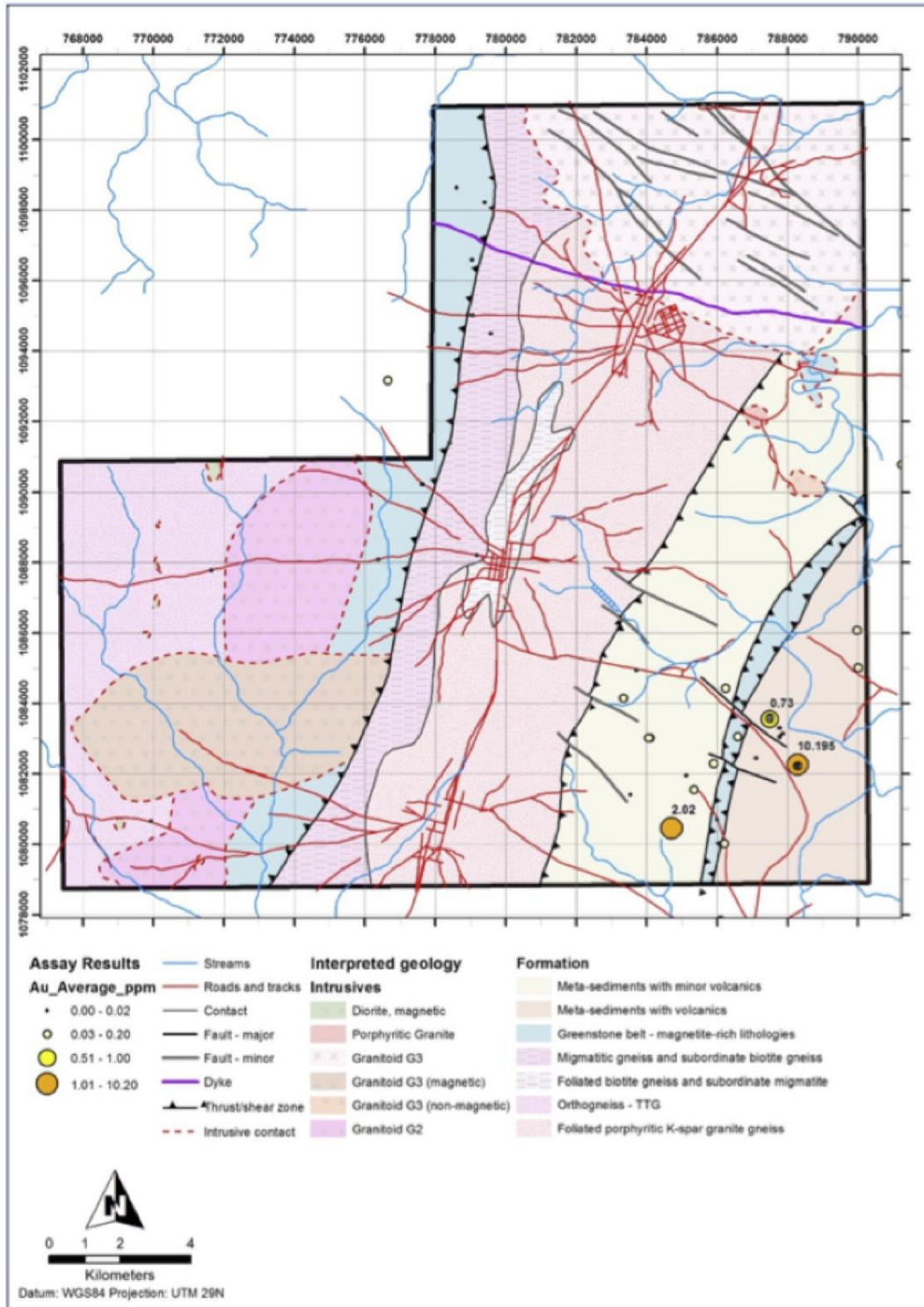


Figure 7: Boundiali (EL285) Interpreted Geology from Aeromagnetic Interpretation and Ground Truth Mapping with Assay Results

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Mt Anketell Project

Mt Anketell Pty Ltd (Mt Anketell), a wholly owned subsidiary of the Company, held a single exploration licence (E47/1493) covering 56.9 km² in the northern Pilbara region of Western Australia.

The Company divested its interest in the exploration licence in April 2015.

Wee McGregor Project

Mining International Pty Ltd (**Mining International**) is a fully owned subsidiary of Cape Lambert. The Company holds tenure to 4 mining leases (which were retained from the sale of the Leichhardt Copper Project) and 3 granted exploration permits (acquired from Caeneus Minerals Limited) for minerals (EPM's) at the Wee MacGregor Project located 40 km southeast of Mt Isa in Queensland (refer **Figure 8**). One EPM application is pending grant. The total granted land package covers an area of approximately 89km².

The tenements are located within in the Eastern Fold Belt of the Mt Isa inlier (**Figure 8**). The eastern-most tenements are located in the Mary Kathleen Zone/Wonga Sub-province. The western group of tenements are located in the Kalkadoon Leichhardt Belt. These areas are prospective for a variety of deposit types, most notably structurally controlled epigenetic copper and gold deposits.

The Wee MacGregor tenements can be classed as brownfields exploration as several copper occurrences and historical workings occur within the tenement boundaries. The largest of these is the Rosebud Mine within ML2773, which has recorded historical production of 20,000t of ore at 7.0% Cu. In addition, there are numerous under-explored geochemical and geophysical anomalies defined by previous explorers.

The Company is presently in discussion with prospective investors for a potential farm-in or divestment of this project.

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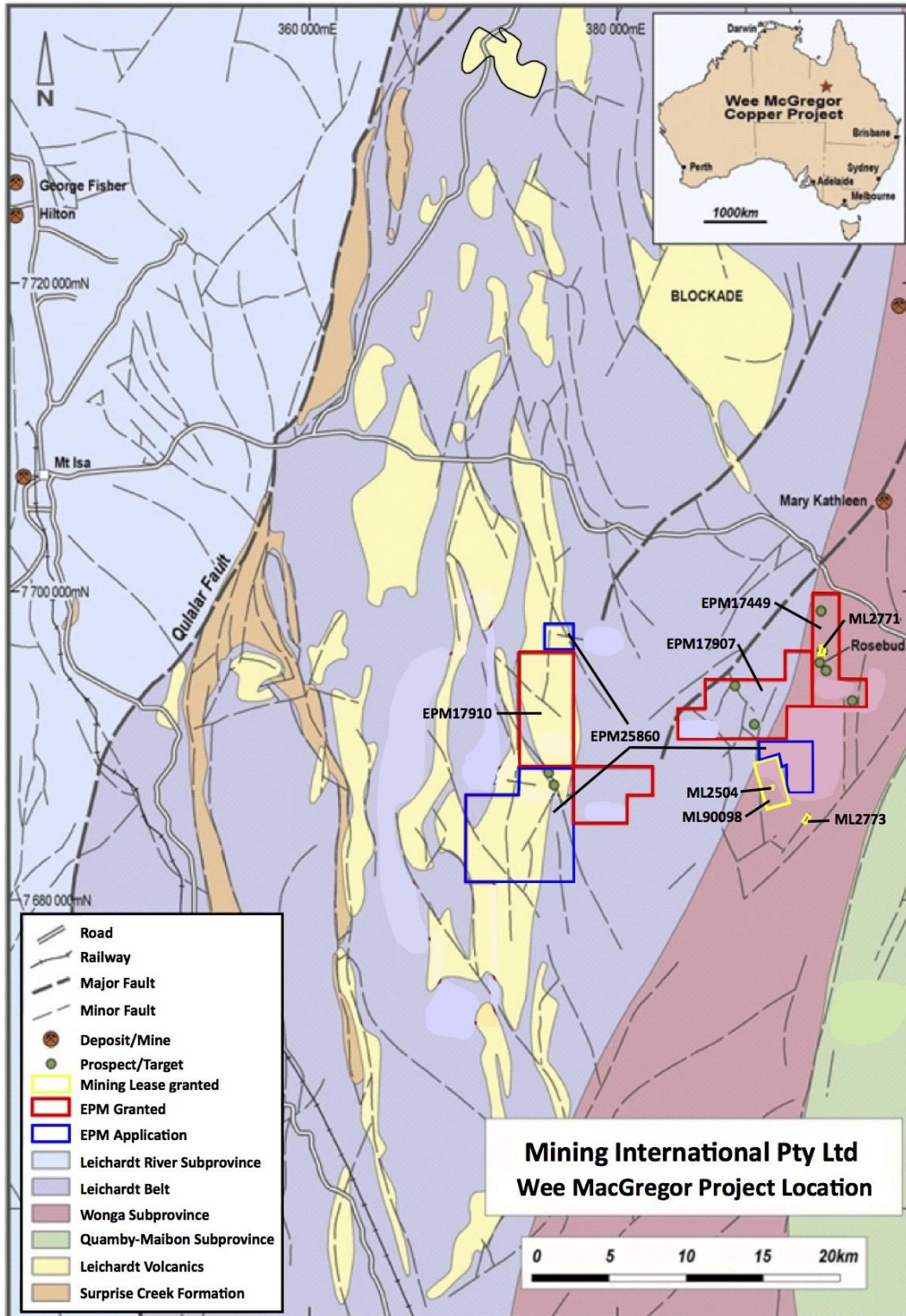


Figure 8: Wee MacGregor Project Location and Geology

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Competent Persons Statement

The contents of this Report relating to Exploration Results are based on information compiled by Olaf Frederickson, a Member of the Australasian Institute of Mining and Metallurgy. Mr Frederickson is a consultant to Cape Lambert and has sufficient experience relevant to the style of mineralisation and the deposit under consideration and to the activity he is undertaking to qualify as a Competent Person, as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Frederickson consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.

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DIRECTORS' REPORT

Your Directors submit the financial report of Cape Lambert Resources Limited (**Cape Lambert** or the **Company**) and its controlled entities (collectively referred to as the **Cape Lambert Group** or the **Consolidated Entity**) for the year ended 30 June 2015.

DIRECTORS

In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Tony Sage	Executive Chairman	
Qualifications	B.Com, FCPA, CA, FTIA	
Experience	<p>Mr Sage has in excess of 30 years' experience in the fields of corporate advisory services, funds management and capital raising. Mr Sage is based in Western Australia and has been involved in the management and financing of listed mining and exploration companies for the last 19 years.</p> <p>Mr Sage has operated in Argentina, Brazil, Peru, Romania, Russia, Sierra Leone, Guinea, Cote d'Ivoire, Congo, South Africa, Indonesia, China and Australia. Mr Sage is currently Chairman of ASX-listed Australian companies, Cape Lambert Resources Ltd (which was AIM Company of the year in 2008), Cauldron Energy Ltd and Fe Ltd. Mr Sage is also a Non-Executive Director of the following ASX-listed entities, Kupang Resources Ltd, Caeneus Minerals Ltd; and National Stock Exchange of Australia ("NSX") listed International Petroleum Ltd.</p> <p>Mr Sage is also the sole owner of A League football club Perth Glory that plays in the National competition in Australia.</p>	
Directorships of listed companies held within the last 3 years	African Petroleum Corporation Limited ¹ International Goldfields Limited Global Strategic Metals Limited Cauldron Energy Limited Fe Limited International Petroleum Limited ¹ Kupang Resources Limited Caeneus Minerals Limited	October 2007 to June 2013 February 2009 to May 2013 June 2012 to August 2014 June 2009 to Present August 2009 to Present January 2006 to Present September 2010 to Present December 2010 to Present
Interest in Shares & Options at the date of this report	Fully Paid Ordinary Shares	72,766,681
	Unlisted options	1,500,000

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Tim Turner	Non-Executive Director	
Qualifications	B.Bus, FCPA, FTIA, Registered Company Auditor	
Experience	<p>As a senior partner with Accounting firm, Hewitt Turner & Gelevitis, Mr Turner specialises in domestic business structuring, corporate and trust tax planning and corporate secretarial services. He also has in excess of 25 years' experience in new ventures, capital raisings and general business consultancy.</p> <p>Mr Turner has a Bachelor of Business (Accounting and Business Administration), is a Registered Company Auditor, a Fellow of CPA Australia and a Fellow of the Taxation Institute of Australia.</p>	
Directorships of listed companies held within the last 3 years	International Petroleum Limited ¹ African Petroleum Corporation Limited ¹ Legacy Iron Ore Limited ¹ Listed on the National Stock Exchange of Australia.	January 2006 to Present November 2007 to Present July 2008 to Present
Interest in Shares & Options at the date of this report	Fully Paid Ordinary Shares	1,523,000
	Unlisted options	600,000
Ross Levin	Non-Executive Director	
Qualifications	Bachelor of Economics, Bachelor of Law and Graduate Diploma Labour Relations Law (Melbourne).	
Experience	<p>Mr Levin holds degrees in both Law and Economics and has extensive experience with business sales and acquisitions, corporate restructuring and takeovers and is currently a partner in the workplace relations, employment and safety division of Mills Oakley.</p> <p>Mr Levin has a Bachelor of Economics, a Bachelor of Law, a Graduate Diploma Labour Relations Law (Melbourne) and is a Trustee for CEDA (Committee for Economic Development of Australia)</p>	
Directorships of listed companies held within the last 3 years	None	
Interest in Shares & Options at the date of this report	Fully Paid Ordinary Shares	619,500
	Unlisted options	600,000
Jason Brewer	Non-Executive Director	
Qualifications	M.Eng (ARSM) Hons	
Experience	<p>Mr Brewer has over 18 years' international experience in the natural resources sector and in investment banking. He is a mining engineer with a Master's degree in mining engineering with honours from the Royal School of Mines, London. He has experience in a variety of commodities having worked in underground and opencast mining operations in the UK, Australia, Canada and South Africa, In addition he has</p>	

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worked for major global investment banks including Dresdner Kleinwort Benson, NM Rothschild & Sons (Australia) Limited and Investec Bank (Australia) Limited in London, Sydney and Perth where he had particular responsibility for structuring and arranging corporate and project funding facilities for mining companies operating in Asia and Africa.

Directorships of listed companies held within the last 3 years	Black Mountain Resources Ltd	February 2012 to Present
	Kupang Resources Limited	September 2013 to Present
	Global Strategic Metals Limited	December 2013 to Present
	Continental Coal Limited	October 2011 to November 2013
	De Grey Mining Limited	December 2010 to October 2013
	Kaboko Mining Limited	August 2011 to January 2013
Interest in Shares & Options at the date of this report	Fully Paid Ordinary Shares	None
	Unlisted options	600,000

COMPANY SECRETARY

Ms Chapman is a certified practising accountant with over 13 years of experience in the mining industry. She has worked extensively in Australia and the United Kingdom. Ms Chapman has a Bachelor of Accounting from Murdoch University and has been a member of CPA Australia since 2000. Melissa has completed a Graduate Diploma of Corporate Governance with the Governance Institute of Australia.

DIVIDEND AND RETURN OF CAPITAL

During the year the Company paid a fully franked dividend of 2 cents per share.

REVIEW OF RESULTS AND OPERATIONS

Principal Activity

The principal activity of the Cape Lambert Group during the year was mineral investment, exploration and evaluation.

There were no significant changes in the nature of the principal activity during the year.

Review of Operations

A summary of the most significant transactions during the year ended 30 June 2015 is set out below:

- On 8 September 2010, Cape Lambert announced that it had commenced legal action against MCC Australia Sanjin Pty Ltd and its parent company Metallurgical Corporation of China Limited (MCC) over the final \$80 million owing from the sale of the Cape Lambert magnetite iron ore project in mid-2008.

In March 2013, the Court made orders, inter alia, for the dispute to be determined by an arbitrator in Singapore. In August 2013 the arbitrator issued a partial award requiring MCC China to pay the sum of \$80 million into an escrow account pending the determination of the substantive dispute. On 26 November 2013, the Company announced that MCC had transferred the disputed sum of \$80 million into an escrow account held with the National Australia Bank, as directed by the arbitrator.

The substantive legal matter was due to be heard in Singapore commencing in July 2014. On 14 July 2014, the Company announced it had reached an out of court settlement with MCC. Under the terms of the

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settlement, the escrow agent was ordered to release the funds held in escrow with \$30 million payable to MCC and the balance of \$51.6 million, which included accrued interest, to Cape Lambert. The funds were received by the Company on 17 July 2014.

- In May 2012, the Company received a notice of amended tax assessment and penalty notice (**Amended Assessment**) from the Australian Taxation Office (**ATO**) which resulted from an audit by the ATO.

On 11 December 2012 the Company announced that following discussions with the ATO it had agreed to an arrangement for payment (**Arrangement**) to pay half the primary tax and shortfall interest charge pending the outcome of objections lodged by the Company. Under this Arrangement the Company paid to the ATO an amount of \$33,395,426. On 26 February 2014 the Company announced that the objections lodged with the ATO in relation to the Amended Assessment were disallowed.

On 1 August 2014, the Company announced it had reached an out of court settlement with the ATO. Under the terms of the settlement, the Company has, on a without admission of liability basis, made a final payment to the ATO of \$2,465,106 following the issue of further amended assessments. This represents full and final settlement and removes the potential for any further payments to the ATO under the Amended Assessment issued in 2012.

- On 8 August 2014, following the successful settlements with the ATO and MCC, the Company announced the payment of 4cps in fully franked dividends. The payment of the first fully franked dividend of 2cps was made on 31 October 2014. On 30 April 2015, the Company announced the cancellation of the second fully franked dividend of 2cps originally scheduled to be paid on 27 February 2015 in light of falling iron ore prices and deteriorating market conditions.
- On 23 January 2015, the Company announced the completion of its on market share buy back of up to 10% of the Company's fully paid ordinary shares. Shares bought back by the Company are subsequently cancelled. A total of 41,252,301 Shares were purchased under the facility for a consideration of \$4,244,992.
- On 22 October 2014, the Company announced it had entered into a binding terms sheet with Timis Mining Corporation SL Limited and Timis Mining Corporation Limited (collectively **Timis Mining**) to provide financing of US\$20 million to assist Timis Mining with its acquisition of the Marampa Iron Ore Mine (**Mine**) in Sierra Leone from the administrator of London Mining PLC (London Mining) (**Agreement**).

The Agreement was divided into two parts being US\$8 million bridging finance and US\$12 million royalty purchase (**Royalty Purchase**). Pursuant to the Royalty Purchase, Cape Lambert will receive US\$2 per tonne of iron concentrate exported from the Mine. The royalty was originally payable over a four year period and in the event the Mine temporarily suspends production for a force majeure event, the royalty period will be extended by the same period that the force majeure event continues. The Royalty Purchase was subsequently amended and a royalty of US\$2 per tonne is now payable on production of 24mt from the Mine and is not limited to a 4 year time period.

The first royalty payment of approximately A\$400k was received by the Company in January 2015 relating to the December 2014 shipments. In the March 2015 quarter, eight shipments were made from the Mine with Cape Lambert due to receive a royalty payment of US\$2,566,420. The Mine did not export any ore in the June 2015 quarter consequently the Company will not receive a Royalty payment for this quarter. Timis Mining has advised that due to unforeseen circumstances, including rail derailment, and the force majeure event the Mine is currently in care and maintenance.

Under the terms of the Agreement, Timis Mining also has exclusive rights to purchase 100 million tonnes of oxide material from the Company's neighbouring Marampa Project, or a greater amount as determined by further drilling of Cape Lambert's other Sierra Leone Projects.

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- On 7 January 2015, the Company announced a range of cost reduction measures across its business, which included reducing its full time workforce by 117 people, reduced exploration activities across its portfolio of assets and placing some non-core assets on care and maintenance. The total annual savings generated by these measures is approximately A\$3.5 million.

The board intends to continue to follow its strategy of acquiring and investing in undervalued and/or distressed mineral assets and companies (**Projects**) and improve the value of these Projects, through a hands on approach to management, exploration, evaluation and development and retaining a long-term exposure to these Projects through a production royalty and/or equity interest. Cape Lambert aims to deliver shareholder value by adding value to these undeveloped Projects. If Projects are converted into cash, the Company intends to follow a policy of distributing surplus cash to Shareholders.

RESULTS

The Cape Lambert Group made a loss after income tax for the year ended 30 June 2015 of \$179,448,207 (2014: loss of \$25,367,099).

CHANGES IN STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the Cape Lambert Group other than those referred to in the Review of Operations.

EVENTS SUBSEQUENT TO BALANCE DATE

There are no significant events and transactions that have taken place subsequent to 30 June 2015.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The board intends to continue to follow its strategy of acquiring and investing in undervalued assets and adding value through a hands on approach to management, exploration and evaluation.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Cape Lambert Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

INDEMNIFICATION OF OFFICERS

In accordance with the Company's constitution, except as may be prohibited by the *Corporations Act 2001*, every officer or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

During the financial year, the Company has paid insurance premiums in respect of directors' and officers' liability insurance. The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending legal proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving wilful breach of duty or improper use of information to gain a personal advantage.

In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to insurers has not been disclosed. This is permitted under section 300(9) of the *Corporations Act 2001*.

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INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

Directors	Board of Directors		Audit Committee		Remuneration Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Tony Sage	4	4	-	-	-	-
Tim Turner	4	4	3	3	1	1
Ross Levin	4	3	3	3	1	1
Jason Brewer	4	3	3	3	1	1

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REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2015 outlines the remuneration arrangements of the Company and the Cape Lambert Group in accordance with the requirements of the *Corporations Act 2001* and its regulations. The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Remuneration Policy for Directors and Other Key Management Personnel

The remuneration report details the remuneration arrangements for key management personnel (**KMP**) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Details of Directors and Other Key Management Personnel

Directors

T Sage – Executive Chairman
T Turner – Non-Executive Director
R Levin - Non-Executive Director
J Brewer - Non-Executive Director

Other Key Management Personnel

J Hamilton – Manager Project Development
T Boucher – General Manager Operations
M Chapman – Chief Financial Officer and Company Secretary

Principles used to determine the nature and amount of remuneration

The remuneration policy of the Company has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The Board of the Company believes the remuneration policy to be appropriate and effective in its ability to attract and retain appropriately skilled directors to run and manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members and other key management personnel is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior staff members, was developed by the Executive Chairman and approved by the Board after benchmarking against the market.

All executives receive a base salary (which is based on factors such as length of service and experience).

The Cape Lambert Group is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented individuals, directors and senior executives are paid market rates associated with individuals in similar positions within the same industry. The Board endorses the use of incentive and bonus payments for directors and senior executives.

Options and performance incentives may also be issued as the Cape Lambert Group invests in projects which are subsequently successfully monetised, and key performance indicators such as profits and growth can then be used as measurements for assessing Board performance.

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DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (CONTINUED)

All remuneration paid to directors is valued at the cost to the Company and expensed. Shares awarded to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes option pricing model.

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Executive Chairman determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. To align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The remuneration policy aims to increase goal congruence between shareholders and directors via the issue of options to directors to encourage the alignment of personal and shareholder interests. During the financial year, the Company's share price traded between a low of \$0.023 and a high of \$0.133. The price volatility is a concern to the Board but is not considered abnormal for medium sized exploration entities and in the context of volatile global equity markets. In order to keep all investors fully informed and minimise market fluctuations, the Board is determined to maintain promotional activity amongst the investment community so as to increase awareness of the Company and to stabilise the Company's share price in line with a consistent and stable financial position and base value of assets.

	2011	2012	2013	2014	2015
Closing Share Price 30 June	\$0.445	\$0.32	\$0.10	\$0.077	\$0.026
Profit/(loss) for the year attributable to members of Cape Lambert Resources Limited	(\$11,846,271)	\$22,723,709	(\$143,911,775)	(\$24,152,240)	(\$178,909,136)
Basic EPS	(\$0.02)	\$0.034	(\$0.2093)	(\$0.036)	(\$0.2852)

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REMUNERATION REPORT (AUDITED) (CONTINUED)

Details of Remuneration

Remuneration packages contain the key elements incorporated in the Company's Remuneration Policy as detailed above. The following table discloses the remuneration of the directors and key management personnel of the Company:

		Short term		Post-employment benefits	Long term		Share Based Payments – Equity Options ⁶	Total	% of Total Remuneration		
		Cash Salary & Fees	Cash Bonus ⁵		Leave	Fixed %			At Risk Short Term Incentive %	At Risk Long Term Incentive %	
		\$	\$	\$		\$	\$	%	%	%	
<i>Directors</i>											
T Sage	2015	700,000	405,000	-	-	22,674	1,127,674	62%	-	2%	
T Sage	2014	700,000	-	-	-	(94,000)	606,000	100%	-	-	
B Maher	2015	-	-	-	-	-	-	-	-	-	
B Maher ¹	2014	24,000	-	2,220	-	(23,500)	2,720	100%	-	-	
T Turner	2015	60,000	150,000	-	-	9,070	219,070	27%	-	4%	
T Turner	2014	60,000	-	-	-	(23,500)	36,500	100%	-	-	
R Levin	2015	48,000	200,000	-	-	9,070	257,070	19%	-	4%	
R Levin	2014	48,000	-	3,330	-	(23,500)	27,830	100%	-	-	
J Brewer²	2015	58,000	75,000	-	-	9,070	142,070	41%	-	6%	
J Brewer ²	2014	24,000	-	-	-	-	24,000	100%	-	-	
<i>Other Key Management Personnel</i>											
J Hamilton	2015	216,750	-	-	-	6,595	223,345	97%	-	3%	
J Hamilton	2014	229,125	-	-	-	6,890	236,015	100%	-	-	
T Boucher	2015	261,600	-	-	-	6,595	268,195	98%	-	2%	
T Boucher	2014	377,600	-	-	-	(22,325)	355,275	100%	-	-	
M Chapman⁷	2015	210,000	20,000	23,750	28,565	5,496	287,813	81%	-	2%	
M Chapman ³	2014	121,250	-	26,140	11,258	(18,800)	139,848	100%	-	-	
C Tolcon	2015	-	-	-	-	-	-	-	-	-	
C Tolcon ⁴	2014	86,342	15,000	-	-	(18,800)	82,542	100%	-	-	
Total	2015	1,554,350	850,000	23,750	28,565	68,570	2,525,235	62%	-	2%	
Total	2014	1,670,317	15,000	31,690	11,258	(217,535)	1,510,730	100%	-	-	

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DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (CONTINUED)

Details of Remuneration (continued)

For executives who were appointed or resigned during the year, the remuneration reflected above is that from date of appointment or to date of resignation.

No non-monetary benefits were provided to directors or key management personnel during the year other than those detailed below.

Notes

¹ Mr B Maher resigned effective 31 December 2013.

² Mr J Brewer was appointed effective 31 December 2013. A one off payment of \$10,000 was made to Mr Brewer during the year for additional consulting services rendered during the year

³ Ms M Chapman was appointed as Company Secretary effective 31 January 2014. A portion of Ms M Chapman's salary is recharged to related entity Global Strategic Metals Limited.

⁴ Ms C Tolcon resigned effective 31 January 2014. Ms C Tolcon was paid a discretionary cash bonus of \$15,000 for work performed in relation to the sale of the Leichhardt project.

⁵ These discretionary cash bonuses were issued to directors and key management personnel during the year for work performed in relation to the Company's settlement with Metallurgical Corporation of China Limited (MCC) and the Australian Tax Office (ATO) in July 2014 and August 2014 respectively.

⁶ The share options issued to directors and key management personnel during the year were issued for no consideration with vesting subject to the following performance hurdles being met:

- Divestment (wholly or partially) of Marampa (whether by joint venture, sale or IPO); OR
- Sale of Mayoko royalty; OR
- Sale of any major asset by an associate company in the portfolio of companies managed by CFE.

The share options issued were approved by the Company's shareholders at the Annual General Meeting of the Company's shareholders held on 27 November 2014. The director share options have been valued using the Black Scholes option valuation method at \$0.0457 at the grant date of 27 November 2014. The key management personnel share options have also been valued using the Black Scholes option valuation method at \$0.039 on the date of issue on 27 November 2014. The amount payable upon exercise of each share option is \$0.088 and the share options will expire on 18 December 2016.

⁷ A portion of Ms M Chapman's salary was recharged to related entity Global Strategic Metals Limited and European Lithium Limited in the year. Ms M Chapman was paid a discretionary cash bonus of \$20,000 as well as a non-monetary benefit of 2 weeks additional annual leave for work performed in relation to the Company's settlement with Metallurgical Corporation of China Limited (MCC) and the Australian Tax Office (ATO) in July 2014 and August 2014 respectively.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

Additional disclosures relating to options and shares

Options awarded, vested and lapsed

The table below discloses the number of share options granted to executives as remuneration during the current year as well as the number of options that vested or lapsed during the year. Shares options do not carry any voting or dividend rights and can be exercised once the vesting conditions have been met until their expiry date.

	Year	Options awarded No.	Award date	Fair value per options at award date	Vesting date	Exercise price	Expiry date	No. vested during the year	No. lapsed
<i>Directors</i>									
T Sage	2015	1,500,000	27 Nov 2014	\$0.0457	Note 1	\$0.088	18 Dec 2016	-	-
T Turner	2015	600,000	27 Nov 2014	\$0.0457	Note 1	\$0.088	18 Dec 2016	-	-
R Levin	2015	600,000	27 Nov 2014	\$0.0457	Note 1	\$0.088	18 Dec 2016	-	-
J Brewer	2015	600,000	27 Nov 2014	\$0.0457	Note 1	\$0.088	18 Dec 2016	-	-
<i>Other Key Management Personnel</i>									
J Hamilton	2015	600,000	27 Nov 2014	\$0.039	Note 1	\$0.088	18 Dec 2016	-	-
T Boucher	2015	600,000	27 Nov 2014	\$0.039	Note 1	\$0.088	18 Dec 2016	-	-
M Chapman	2015	500,000	27 Nov 2014	\$0.039	Note 1	\$0.088	18 Dec 2016	-	-

Note 1

Vesting conditions:

The share options issued to directors and key management personnel during the year were issued for no consideration with vesting subject to the following performance hurdles being met:

- Divestment (wholly or partially) of Marampa (whether by joint venture, sale or IPO); OR
- Sale of Mayoko royalty; OR
- Sale of any major asset by an associate company in the portfolio of companies managed by CFE.

The share options issued were approved by the Company's shareholders at the Annual General Meeting of the Company's shareholders held on 27 November 2014. The director share options have been valued using the Black Scholes option valuation method at \$0.0457 on the grant date of 27 November 2014. The key management personnel share options have also been valued using the Black Scholes option valuation method at \$0.039 on the date of issue on the grant date of 27 November 2014. The amount payable upon exercise of each share option is \$0.088 and the share options will expire on 18 December 2016.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

Additional disclosures relating to options and shares (continued)

Value of Options Issued to Directors, Executives and Key Management Personnel

30 June 2015	<u>Options Granted</u>	<u>Options Exercised</u>	<u>Options Lapsed</u>	Percentage of Total Remuneration for the Year that Consists of Options %
	Value at Grant Date \$	Value at Exercise Date \$	Value at Time of Lapse \$	
<i>Directors</i>				
T Sage	68,478	-	-	2%
B Maher	27,391	-	-	4%
T Turner	27,391	-	-	4%
J Brewer	27,391	-	-	6%
<i>Other Key Management Personnel</i>				
J Hamilton	23,376	-	-	3%
T Boucher	23,376	-	-	2%
M Chapman	19,480	-	-	2%
Total	216,883	-	-	2%

For details on the valuation of the options, including models and assumptions used, please refer to Note 5.

There were no alterations to the terms and conditions of options awarded as remuneration since their award date.

There were no shares issued on the exercise of options during the year.

Option holdings of directors and key management personnel

30 June 2015	Balance 01-Jul-14 No.	Granted as remuneration No.	Lapsed during the year No.	Exercised during the year No.	Balance 30-Jun-15 No.	Vested and exercisable 30-Jun-15 No.
<i>Directors</i>						
T Sage	-	1,500,000	-	-	1,500,000	-
T Turner	-	600,000	-	-	600,000	-
R Levin	-	600,000	-	-	600,000	-
J Brewer	-	600,000	-	-	600,000	-
<i>Other Key Management Personnel</i>						
J Hamilton	500,000	600,000	-	-	1,100,000	500,000
T Boucher	-	600,000	-	-	600,000	-
M Chapman	-	500,000	-	-	500,000	-
	500,000	5,000,000	-	-	5,500,000	500,000

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REMUNERATION REPORT (AUDITED) (CONTINUED)

Additional disclosures relating to options and shares (continued)

Share holdings of directors and key management personnel

Details of fully paid ordinary shares of Cape Lambert Resources Limited held by directors and key management personnel are set out below:

	Balance 01-Jul-14 Number	Share based payment received Number	Received on exercise of options Number	On market purchases Number	On market sales Number	Net change other Number	Balance 30-Jun-15 Number
<i>Directors</i>							
T Sage	43,615,430	-	-	-	-	-	43,615,430
T Turner	1,523,000	-	-	-	-	-	1,523,000
R Levin	619,500	-	-	-	-	-	619,500
J Brewer	-	-	-	-	-	-	-
<i>Other Key Management Personnel</i>							
J Hamilton	2,490,000	-	-	-	(2,490,000)	-	-
T Boucher	2,233,035	-	-	-	(2,233,035)	-	-
M Chapman	-	-	-	-	-	-	-
	50,480,965	-	-	-	(4,723,035)	-	45,757,930

Other transactions with director related entities

		Sales to related parties	Purchases from related parties	Consulting fees paid	Amounts owed by related parties	Amounts owed to related parties
<i>Director related entities:</i>						
Perth Fashion Festival Pty Ltd	2015	-	14,879	-	-	-
Perth Fashion Festival Pty Ltd	2014	-	12,104	-	-	-
Perth Glory Football Club	2015	-	64,950	-	-	-
Perth Glory Football Club	2014	-	47,864	-	-	-
Okewood Pty Ltd	2015	32,860	611,386	1,105,000	-	-
Okewood Pty Ltd	2014	-	553,746	700,000	-	-

Perth Fashion Festival Pty Ltd, Okewood Pty Ltd and Okewood Pty Ltd trading as Perth Glory Football Club are entities controlled by Tony Sage. During the year ended 30 June 2015 a total amount of \$64,950 (30 June 2014: \$47,864) was paid to Okewood Pty Ltd for a corporate box and events of the Perth Glory Football Club. During the year ended 30 June 2015 a total amount of \$14,879 (30 June 2014: \$12,104) was paid to Perth Fashion Festival Pty Ltd for events held by the Perth Fashion Festival.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

Office lease agreement with Okewood Pty Ltd

On 1 April 2012 the Company entered into a lease agreement with Okewood Pty Ltd, a company owned by Tony Sage, for the lease of 32 Harrogate Street, West Leederville WA 6007. The term of the lease is 1 April 2012 to 31 March 2017 with a first and second extended term option. The lease is based on an area of 1,208m² at a rent of \$483,200 (excluding GST) per annum, subject to an annual CPI increase, with variable outgoings and parking charged separately at market rates.

On 22 June 2015, a deed of variation was entered into modifying the terms of the lease agreement. Under the terms of the variation, the term of the lease is 1 April 2012 to 31 March 2020 with an extended term option. The lease is based on an area of 1,148m² at a rent of \$459,200 (excluding GST) per annum, subject to an annual CPI increase, with variable outgoings and parking charged separately at market rates.

Service Agreements

Executive Directors

On 26 September 2013, the Company entered into a consultancy contract with the Executive Chairman, Tony Sage for a period of 3 years from 28 August 2013. Pursuant to the terms of the contract, Mr Sage is paid an annual fee of \$700,000 per annum (plus GST) for performing the role as Executive Chairman of the Company with the specific responsibility for all negotiations and strategic networking to facilitate the acquisition and disposal of assets of the Company. Under that contract, Mr Sage is not entitled to any set long or short term bonus or incentive. For the avoidance of doubt, there is no fixed formula under which any incentives or bonuses are payable by the Company to Mr Sage. During the term of the contact, the remuneration committee may consider incentive plans and bonus structures that will be focussed on the Executive Chairman achieving performance hurdles based on a material increase in the net market capitalisation of the Company and returns to shareholders of the Company, such as dividends. The contract may be terminated by either party, without cause, providing 3 months' notice (or payment in lieu).

Non-Executive Directors

The engagement conditions of non-executive director Tim Turner were approved by the Board on 30 November 2007. A fee of \$60,000 per annum plus GST was subsequently approved by the Board on 28 August 2009.

The engagement conditions of non-executive director Ross Levin were approved by the Board on commencement of engagement on 1 April 2010 with a fee of \$48,000 per annum.

The engagement conditions of non-executive director Jason Brewer were approved by the Board on commencement of engagement on 31 December 2013 with a fee of \$48,000 per annum.

Other Key Management Personnel

The engagement conditions of contractor J Hamilton were approved by the Board on commencement of his engagement in April 2006. A subsequent review was undertaken and a fee of \$1,500 per day plus GST was approved.

The engagement conditions of contractor T Boucher were approved on commencement of his engagement as General Manager – Operations on 8 October 2012 with a fee of \$1,600 per day plus GST.

The engagement conditions of employee Ms. M Chapman were agreed upon appointment as Chief Financial Officer in May 2012 including a total remuneration package of \$200,000 per annum. M Chapman was appointed as Company Secretary effective 31 January 2014 and a total remuneration package of \$250,000 plus statutory superannuation per annum was agreed. A portion of Ms M Chapman's salary has been recharged to related entity Global Strategic Metals Limited and European Lithium Limited.

-----End of audited remuneration report-----

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Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Cape Lambert Group or intervene in any proceedings to which the Cape Lambert Group is a party for the purpose of taking responsibility on behalf of the Cape Lambert Group for all or any part of those proceedings.

The Cape Lambert group was not a party to any such proceedings during the year.

Non Audit Services

The Board of Directors is satisfied that the provision of any non-audit services by the Company's auditors is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* because:

- All non-audit services are reviewed and approved by the Board of Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided is reviewed to ensure that they do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

During the current year \$85,670 was paid or payable (2014: \$139,353) to the auditor or its related practices for any non-audit services.

SHARE OPTIONS

Share Options Granted to Directors and Employees and Consultants

During the financial year, 9,225,000 share options were granted to directors, employees and consultants (30 June 2014: 500,000) of which 300,000 (30 June 2014: nil) were forfeited during the current year and nil (30 June 2014: nil) were forfeited subsequent to balance date.

Share Options on Issue at Year End

Unissued ordinary shares of Cape Lambert under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
18 December 2014	18 December 2016	\$0.088	3,300,000
13 January 2015	18 December 2016	\$0.088	5,625,000
17 December 2013	30 September 2015	\$0.15	500,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

No shares were issued during the current year as a result of the exercise of options.

Since 30 June 2015, nil share options have been exercised for total consideration of nil. No amounts are unpaid on any of the shares.

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DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 31 for the year ended 30 June 2015.

This report is signed in accordance with a resolution of the Board of Directors.



Tony Sage
Director

Dated this 18th day of September 2015



Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's independence declaration to the Directors of Cape Lambert Resources Limited

In relation to our audit of the financial report of Cape Lambert Resources Limited for the year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

G H Meyerowitz
Partner
18 September 2015

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CORPORATE GOVERNANCE STATEMENT

In March 2014, the ASX Corporate Governance Council released a third edition of the ASX Corporate Governance Council's Principles and Recommendations (ASX Principles).

The Company's Corporate Governance Statement for the year ended 30 June 2015 (which reports against these ASX Principles) may be accessed from the Company's website at **www.capelam.com.au**.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	For the year ended	
		30 June 2015	30 June 2014
		\$	\$
Revenue	3(a)	3,633,953	3,084,575
Other income	3(b)	2,809,704	54,981,721
Share based payments		(109,399)	301,986
Directors remuneration and employee benefits expenses		(2,916,631)	(1,693,905)
Consulting and professional services		(2,080,790)	(5,815,592)
Occupancy expenses	3(d)	(1,328,088)	(517,926)
Compliance and regulatory expenses		(290,196)	(219,874)
Travel and accommodation		(264,629)	(579,097)
Depreciation and amortisation expense	3(c)	(715,424)	(1,154,675)
Gain/(loss) on fair value of financial assets through profit and loss	3(f)	(1,107,737)	2,357,224
Other expenses	3(e)	(1,127,268)	(1,548,339)
Interest expense on tax payable	4	-	(6,159,613)
Impairment of other financial assets	8(d)	(2,986,669)	(1,963,331)
Impairment of receivable		(6,521,402)	(281,500)
Impairment of loans	7	(10,847,200)	(1,000,000)
Impairment of royalty assets	8	(12,892,893)	-
Impairment of interest receivable		(569,234)	(103,671)
Reversal of impairment allowance		-	1,500,000
Impairment of capitalised exploration	11	(140,859,803)	(39,061,758)
Impairment of investment in associate	12(e)	-	(239,331)
Share of net losses of associates accounted for using the equity method	12(b)	(1,276,384)	(1,728,978)
Profit/(loss) before income tax		(179,450,090)	157,916
Income tax (expense)/benefit	4	1,883	(25,525,015)
Net loss for the year		(179,448,207)	(25,367,099)
Other comprehensive income/(expenditure) net of tax			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Foreign exchange differences arising on translation of foreign operations		18,637,140	(1,626,606)
Share of reserves of associates accounted for using the equity method		346,975	(53,903)
Total comprehensive loss for the year		(160,464,092)	(27,047,608)
Loss for the year attributable to:			
Members of Cape Lambert Resources Limited		(178,909,136)	(24,152,240)
Non-controlling interests		(539,071)	(1,214,859)
		(179,448,207)	(25,367,099)
Total comprehensive loss for the year attributable to:			
Members of Cape Lambert Resources Limited		(159,925,021)	(25,832,749)
Non-controlling interests		(539,071)	(1,214,859)
		(160,464,092)	(27,047,608)
Loss per share attributable to members of Cape Lambert Resources Limited:			
Basic loss per share (cents per share)	18	(28.52)	(3.64)
Diluted loss per share (cents per share)	18	(28.52)	(3.64)

The accompanying notes form part of this financial report.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 June 2015 \$	30 June 2014 \$
CURRENT ASSETS			
Cash and cash equivalents	25(a)	9,033,714	20,490,719
Restricted cash	9	32,754	16,431
Trade and other receivables	7	2,484,339	56,382,147
TOTAL CURRENT ASSETS		11,550,807	76,889,297
NON-CURRENT ASSETS			
Other financial assets	8	1,684,663	5,157,950
Investments accounted for using equity method	12	3,629,855	3,652,394
Restricted cash	9	81,833	81,833
Plant and equipment	10	1,669,232	2,341,220
Exploration and evaluation expenditure	11	15,683,601	125,755,066
TOTAL NON-CURRENT ASSETS		22,749,184	136,988,463
TOTAL ASSETS		34,299,991	213,877,760
CURRENT LIABILITIES			
Trade and other payables	13	3,724,738	7,071,630
Provisions	14	415,013	437,271
Current tax liabilities		-	2,309,543
TOTAL CURRENT LIABILITIES		4,139,751	9,818,444
NON CURRENT LIABILITIES			
Provisions	14	401,818	512,942
TOTAL NON CURRENT LIABILITIES		401,818	512,942
TOTAL LIABILITIES		4,541,569	10,331,386
NET ASSETS		29,758,422	203,546,374
EQUITY			
Issued capital	15	189,786,328	190,685,855
Reserves	16	21,592,056	2,498,542
(Accumulated losses) / Retained earnings	17	(181,696,558)	9,746,310
Parent interests		29,681,826	202,930,707
Non-controlling interest		76,596	615,667
TOTAL EQUITY		29,758,422	203,546,374

The accompanying notes form part of this financial report.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Issued Capital \$	(Accumulated Loss) / Retained earnings \$	Share Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Business Combinatio n Reserve \$	Parent Equity Interest Total \$	Non- controlling interest \$	Total \$
Balance at 1 July 2014		190,685,855	9,746,310	1,623,840	2,478,621	(1,603,919)	202,930,707	615,667	203,546,374
Loss for the year		-	(178,909,136)	-	-	-	(178,909,136)	(539,071)	(179,448,207)
<i>Other comprehensive income</i>									
Foreign exchange differences arising on translation of foreign operations	16	-	-	-	18,637,140	-	18,637,140	-	18,637,140
Share of associate's reserves	16	-	-	346,211	764	-	346,975	-	346,975
Total comprehensive income/(loss) for the year		-	(178,909,136)	346,211	18,637,904	-	(159,925,021)	(539,071)	(160,464,092)
<i>Transactions with owners in their capacity as owners</i>									
On-market buy back	15	(899,527)	-	-	-	-	(899,527)	-	(899,527)
Dividend paid		-	(12,533,732)	-	-	-	(12,533,732)	-	(12,533,732)
Share based payments expense		-	-	109,399	-	-	109,399	-	109,399
Transactions with equity holders in their capacity as owners		(899,527)	(12,533,732)	109,399	-	-	(13,323,861)	-	(13,323,861)
Balance at 30 June 2015		189,786,328	(181,696,558)	2,079,450	21,116,525	(1,603,919)	29,681,826	76,596	29,758,422

The accompanying notes form part of this financial report.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Issued Capital \$	Retained earnings \$	Share Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Business Combination Reserve \$	Parent Equity Interest Total \$	Non- controlling interest \$	Total \$
Balance at 1 July 2013		195,614,664	33,898,550	1,811,542	4,273,414	(1,603,919)	233,994,251	-	233,994,251
Loss for the year		-	(24,152,240)	-	-	-	(24,152,240)	(1,214,859)	(25,367,099)
<i>Other comprehensive income</i>									
Foreign exchange differences arising on translation of foreign operations	16	-	-	-	(1,626,606)	-	(1,626,606)	-	(1,626,606)
Share of associate's reserves	16	-	-	114,284	(168,187)	-	(53,903)	-	(53,903)
Total comprehensive income/(loss) for the year		-	(24,152,240)	114,284	(1,794,793)	-	(25,832,749)	(1,214,859)	(27,047,608)
<i>Transactions with owners in their capacity as owners</i>									
On-market buy back	15	(4,928,809)	-	-	-	-	(4,928,809)	-	(4,928,809)
Share based payments expense		-	-	(301,986)	-	-	(301,986)	-	(301,986)
Acquisition of subsidiary		-	-	-	-	-	-	1,830,526	1,830,526
Transactions with equity holders in their capacity as owners		(4,928,809)	-	(301,986)	-	-	(5,230,795)	1,830,526	(3,400,269)
Balance at 30 June 2014		190,685,855	9,746,310	1,623,840	2,478,621	(1,603,919)	202,930,707	615,667	203,546,374

The accompanying notes form part of this financial report.

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CONSOLIDATED STATEMENT OF CASH FLOWS

		For the year ended	
		2015	2014
		\$	\$
CASHFLOWS FROM OPERATING ACTIVITIES			
		(10,842,815)	(9,508,846)
Payments to suppliers and employees (inclusive of GST)		921,872	886,105
Interest received		-	(26,783)
Interest and other finance costs paid		(2,297,014)	-
Income tax paid		(12,217,957)	(8,649,524)
Net cash used in operating activities	25(b)	(12,217,957)	(8,649,524)
CASHFLOWS FROM INVESTING ACTIVITIES			
Payment for acquiring interests in associated entities	12(b)	(299,756)	(669,363)
Payments for exploration and evaluation	11	(13,488,286)	(12,363,715)
Proceeds on sale of exploration project		75,000	-
Purchase of property, plant and equipment	10	(99,271)	(229,295)
Payment of restricted cash balances in relation to environmental bonds / performance bonds		(12,500)	-
Release of restricted cash balances in relation to environmental bonds / performance bonds	9	-	7,894,563
Payment on subscription to convertible loan notes	7(c)	(250,250)	(2,855,685)
Loans to associated entity	7(c)	(383,057)	(910,000)
Loans to other entities	7(c)	(10,099,689)	-
Purchase of equity investments in listed entities	8(a)	(289,132)	(655,068)
Proceeds from sale of equity investments	8(a)	84,140	7,126,260
Proceeds from sale of equity investments in associated entities	12(b)	26,801	-
Proceeds received in lieu of milestone payments	8(a)(i)	-	6,500,000
Proceeds from sale of controlled entity		-	11,503,611
Proceeds received as deferred consideration on sale of prospect	7(b)	51,504,270	-
Purchase of royalty asset	8(c)	(13,766,142)	-
Royalty receipt		390,469	-
Cash balances acquired on acquisition of controlled entity		-	700,863
Repayment of loans received	7(c)	650,000	1,000,000
Net cash provided by investing activities		14,042,597	17,042,171
CASHFLOWS FROM FINANCING ACTIVITIES			
On-market buy back	15	(899,527)	(4,928,809)
Dividend paid	17	(12,533,732)	-
Net cash used in financing activities		(13,433,259)	(4,928,809)
Net increase / (decrease) in cash and cash equivalents		(11,608,619)	3,463,838
Cash and cash equivalents at beginning of period		20,490,719	17,034,354
Foreign exchange		151,614	(7,473)
Cash and cash equivalents at end of period	25(a)	9,033,714	20,490,719

The accompanying notes form part of this financial report.

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NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The consolidated financial statements of Cape Lambert Resources Limited and its subsidiaries (collectively, the Group) for the year ended 30 June 2015 were authorised for issue in accordance with a resolution of the directors on 18 September 2015.

Cape Lambert Resources Limited (the Company or the Parent) is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature and operations and principal activities of the Group are described in the directors' report.

Information of the Group's structure is provided in Note 21. Information on other related party relationships is provided in Note 23.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

The financial report covers Cape Lambert Resources Limited and its controlled entities (the Consolidated Entity). Cape Lambert Resources Limited is a for-profit public listed company, incorporated and domiciled in Australia.

2.2 Going concern

The consolidated financial statements of Cape Lambert have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2015 the Consolidated Entity had cash and cash equivalents of \$9,033,714 (30 June 2014: \$20,490,719) and net assets of \$29,758,422 (30 June 2014: \$203,546,374).

Whilst sufficient cash is available to meet general and administrative requirements in the short term, the ability of the Consolidated Entity to fulfil its proposed activities in the next 12 months will likely depend on the realisation of certain of the Consolidated Entity's assets, including deferred consideration and loans receivable, for which recovery is not a certainty.

At the date of this report, the directors are satisfied there are reasonable grounds to believe that the Consolidated Entity will be able to continue its planned operations and the Consolidated Entity will be able to meet its obligations as and when they fall due because the directors are confident that the Consolidated Entity will be able to realise certain of its assets or seek alternative sources of funding if required. Should the Consolidated Entity not achieve the matters set out above, there is uncertainty whether the Consolidated Entity would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The consolidated financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Consolidated Entity not be able to continue as a going concern.

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2.3 Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

2.4 Changes in accounting policy, disclosures, standards and interpretations

- (i) Changes in accounting policies, new and amended standards and interpretations
The accounting policies adopted are consistent with those of the previous financial year. From 1 July 2014, the Consolidated Entity has adopted all the standards and interpretations with an effective date of 1 July 2014. Adoption of these standards and interpretations did not have any effect on the statements of financial position or performance of the Consolidated Entity. The Consolidated Entity has not elected to early adopt any new standards or amendments.

The following standards and interpretations would have been applied for the first time.

Reference	Title
AASB 2012-3	<p><i>Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities</i></p> <p>AASB 2012-3 adds application guidance to AASB 132 <i>Financial Instruments: Presentation</i> to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.</p>
AASB 2013-3	<p><i>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</i></p> <p>AASB 2013-3 amends the disclosure requirements in AASB 136 <i>Impairment of Assets</i>. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.</p>
AASB 1031	<p><i>Materiality</i></p> <p>The revised AASB 1031 is an interim standard that cross-references to other Standards and the <i>Framework</i> (issued December 2013) that contain guidance on materiality.</p> <p>AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.</p> <p>AASB 2014-1 Part C issued in June 2014 makes amendments to 8 Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective 1 July 2014*.</p>
AASB 2013-9	<p><i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i></p> <p>The Standard contains three main parts and makes amendments to a number Standards and Interpretations.</p> <p>Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.</p> <p>Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.</p>

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Reference	Title
AASB 2014-1 Part A -Annual Improvements 2010–2012 Cycle	<p>AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) <i>Annual Improvements to IFRSs 2010–2012 Cycle</i> and <i>Annual Improvements to IFRSs 2011–2013 Cycle</i>.</p> <p>Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items:</p> <ul style="list-style-type: none"> ▶ AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. ▶ AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. ▶ AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets. ▶ AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. ▶ AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.
AASB 2014-1 Part A -Annual Improvements 2011–2013 Cycle	<p>Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items:</p> <ul style="list-style-type: none"> ▶ AASB13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. ▶ AASB 140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.

(ii) New Accounting Standards and Interpretations issued but not yet effective.

The following Australian Accounting Standards that have recently been issued or amended but are not yet effective are relevant to the Group but have not been applied by the Group for the annual reporting period ending 30 June 2015:

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 9/IFRS 9	Financial Instruments	AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting.	1 January 2018	1 July 2018

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Reference	Title	Summary	Application date of standard	Application date for Group
		<p>Classification and measurement AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities.</p> <p>The main changes are described below.</p> <p><i>Financial assets</i></p> <p>a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.</p> <p>b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p> <p><i>Financial liabilities</i></p> <p>Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option.</p> <p>AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount.</p> <p><i>Impairment</i></p> <p>The final version of AASB 9 introduces a new expected-loss impairment model that will require</p>		

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Reference	Title	Summary	Application date of standard	Application date for Group
		more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.		
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	AASB 2014-3 amends AASB 11 <i>Joint Arrangements</i> to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require: (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 <i>Business Combinations</i> , to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. This Standard also makes an editorial correction to AASB 11	1 January 2016	1 July 2016
AASB 15	Revenue from Contracts with Customers	In May 2014, the IASB issued IFRS 15 <i>Revenue from Contracts with Customers</i> , which replaces IAS 11 <i>Construction Contracts</i> , IAS 18 <i>Revenue</i> and related Interpretations (IFRIC 13 <i>Customer Loyalty Programmes</i> , IFRIC 15 <i>Agreements for the Construction of Real Estate</i> , IFRIC 18 <i>Transfers of Assets from Customers</i> and SIC-31 <i>Revenue—Barter Transactions Involving Advertising Services</i>). The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract	1 January 2017	1 July 2017

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Reference	Title	Summary	Application date of standard	Application date for Group
		<p>(e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation</p> <p>The AASB issued the Australian equivalent of IFRS 15, being AASB 15, in December 2014.</p> <p>Currently, these standards are effective for annual reporting periods commencing on or after 1 January 2017. Early application is permitted. (Note A)</p> <p>AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.</p>		
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	<p>AASB 2014-10 amends AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require:</p> <p>(a) a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and</p> <p>(b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.</p> <p>AASB 2014-10 also makes an editorial correction to AASB 10.</p> <p>AASB 2014-10 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.</p>	1 January 2016	1 July 2016
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	<p>The Standard makes amendments to AASB 101 <i>Presentation of Financial Statements</i> arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in</p>	1 January 2016	1 July 2016

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Reference	Title	Summary	Application date of standard	Application date for Group
		determining where and in what order information is presented in the financial disclosures.		
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 <i>Materiality</i>	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015	1 July 2015

The Group has decided against early adoption of these standards and interpretations. The Group has yet to assess the impact of these new and amended standards.

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NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of Cape Lambert Resources Limited (**Cape Lambert**) and its subsidiaries as at 30 June 2015 (the **Group**).

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Business combinations are accounted for using the acquisition method.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Associates

Associates are entities over which the Consolidated Entity has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The Consolidated Entity's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Consolidated Entity's share of its associates' post-acquisition profits or losses is recognised in the consolidated statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in statement of comprehensive income and reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment.

When the Consolidated Entity's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Consolidated Entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Consolidated Entity and its associates are eliminated to the extent of the Consolidated Entity's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position. Restricted cash relates to term deposits held with various financial institutions as security for bank guarantees.

(d) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Office equipment	3 years
Plant and equipment	3 years
Motor vehicles	3 years
Furniture and fittings	5 years
Leasehold improvements	over the period of the lease

(f) Financial Assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Consolidated Entity has the following financial assets:

Financial Assets at Fair Value through Profit or Loss

Certain shares and options held for trading have been classified as financial assets at fair value through profit or loss. Financial assets held for trading purposes are stated at fair value, with any resultant gain or loss recognised in profit or loss. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. Assets in this category are classified as current assets if they are expected to be realised within 12 months otherwise they are classified as non-current assets.

Loans and Receivables

Trade receivables, loans, and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recorded at amortised cost less impairment. Impairment is determined by review of the nature and recoverability of the loan or receivable with reference to its terms of repayments and capacity of the debtor entity to repay the debt. If the recoverable amount of a receivable is estimated to be less than its carrying amount, the carrying amount of receivable is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately. They are included in current assets, other than those with maturities greater than 12 months from reporting date which are classified as non-current assets.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial Assets (continued)

Available for sale financial assets

Available for sale financial assets are those non-derivative financial assets, principally equity securities, that are designated as available for sale or are not classified as 'at fair value through profit or loss', 'held-to-maturity' investments or 'loans and receivables'. Available for sale financial assets are measured at fair value, or cost where fair value is unable to be reliably measured, until the investment is disposed of or determined to be impaired, at which time the gain or loss on disposal or the impairment is recognised in the profit or loss. They are included in non-current assets unless management intends to dispose of the investment within 12 months.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is reclassified from equity and recognised in profit or loss as a reclassification adjustment. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

(g) Debt and Equity Instruments Issued by the Consolidated Entity

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related debt or equity instruments or component parts of compound instruments.

(h) Foreign Currency

Foreign currency transactions and balances

All foreign currency transactions occurring during the financial year are recognised at the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in the profit or loss in the period in which they arise except those exchange differences which relate to assets under construction for future productive use which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

Functional and presentation currency

Items included in the financial statements of each of the companies within the Consolidated Entity are measured using the currency of the primary economic environment in which they operate (the functional currency). The consolidated financial statements are presented in Australian dollars, which is Cape Lambert's functional and presentation currency.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a. assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
- b. income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- c. all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, a proportionate share of such exchange differences is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(j) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be wholly settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be wholly settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Consolidated Entity in respect of services provided by employees up to the reporting date.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Refer also to note 2(o) for accounting policy regarding share based payments.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Provisions

Provisions are recognised when the Consolidated Entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation.

(l) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Income Tax

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the Consolidated Entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Consolidated Entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Consolidated Entity intends to settle its current tax assets and liabilities on a net basis. The Consolidated Entity has implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

(m) Income Tax (continued)

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of profit or loss and other comprehensive income except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Revenue recognition

Interest Revenue

Interest revenue is recognised using the effective interest rate method.

(o) Share-based Payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability and exercise restrictions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Consolidated Entity's estimate of shares that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

(p) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest where right of tenure is current. Costs associated with these identifiable areas of interests are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full in the statement of profit or loss and other comprehensive income in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(q) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segments and assess their performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues.

Operating segments have been identified based on the information presented to the chief operating decision makers – being the executive management team.

Information about other business activities and operating segments that do not meet the quantitative criteria set out in AASB 8 "Operating Segments" are combined and disclosed in a separate category called "other".

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Consolidated Entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interests and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(s) Business Combinations

The acquisition method of accounting is used to account for all business combinations. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to the former owners of the acquiree and the equity issued by the acquirer, and the amount of any non controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Costs directly attributable to the acquisition are expensed.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non controlling shareholders' interest. The excess of the cost of acquisition over the fair value of the Consolidated Entity's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Consolidated Entity's share of the fair value of the identifiable net assets acquired, the difference is recognised directly in the statement of profit or loss and other comprehensive income, but only after a reassessment of the identification and measurement of the net assets acquired.

Any contingent consideration to be transferred by the acquiree is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

(t) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Consolidated Entity as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on a straight line basis over the period of the lease.

(u) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Parent entity financial information

The financial information for the parent entity, Cape Lambert Resources Limited, disclosed in note 27 has been prepared on the same basis as the consolidated financial statements, except as set out below:

Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted for at cost in the financial statements of Cape Lambert Resources Limited. Dividends received from associates are recognised in the parent entity's statement of profit or loss and other comprehensive income, rather than being deducted from the carrying amount of these investments.

Tax consolidation legislation

Cape Lambert Resources Limited and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Cape Lambert Resources Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have entered into a tax funding agreement under which the wholly-owned entities fully compensate Cape Lambert Resources Limited for any current tax payables assumed and are compensated by Cape Lambert Resources Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Cape Lambert Resources Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligation to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(w) Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

(x) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed as balance date.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Critical Judgements in Applying the Consolidated Entity's Accounting Policies

The Consolidated Entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Exploration and Evaluation

The Consolidated Entity's accounting policy for exploration and evaluation is set out at note 2(p). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves may be determined. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure, it is determined that recovery of the expenditure by future exploitation or sale is unlikely, then the relevant capitalised amount is written off in the statement of profit or loss and other comprehensive income.

As at 30 June 2015, management have recognised impairment losses in respect of capitalised exploration and evaluation to the extent of \$140,859,803 (30 June 2014: \$39,061,758).

Income taxes

The Consolidated Entity is subject to income taxes in Australia and jurisdictions where it has foreign operations.

Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Consolidated Entity estimates its tax liabilities based on the Consolidated Entity's understanding of the tax laws in the relevant jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

The Consolidated Entity has recognised deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority against which the unused tax losses can be utilised. However, utilisation of the tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are recouped.

Impairment

The Consolidated Entity assesses impairment at each reporting date by evaluating conditions specific to the Consolidated Entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amounts of the assets are determined.

As at 30 June 2015, management have recognised impairment losses in respect of those assets which had a carrying value which exceeded their recoverable amounts.

Contingent assets and liabilities

The Company discloses its contingent assets and liabilities in note 20.

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		Consolidated	
		2015	2014
		\$	\$
3.	PROFIT/(LOSS) FROM OPERATIONS		
(a)	Revenue		
	Interest income	1,561,130	2,712,116
	Interest income on royalty asset	1,748,332	-
	Rental revenue	324,491	322,459
	Other revenue	-	50,000
		3,633,953	3,084,575
(b)	Other income		
	Gain on re-measurement of contingent consideration receivable	-	6,500,000
	Gain on disposal of tenements (net of commissions payable)	-	47,898,000
	Gain on disposal of financial asset through profit and loss	-	149,500
	Gain on disposal of assets	-	53,620
	Unrealised foreign currency exchange gains	2,473,156	-
	Realised foreign currency exchange loss	(65,924)	-
	Other income	402,472	380,601
		2,809,704	54,981,721
(c)	Depreciation and amortisation expense		
	Depreciation of plant and equipment	(422,218)	(717,779)
	Amortisation of leasehold improvements	(293,206)	(436,896)
	Depreciation and amortisation expense	10 (715,424)	(1,154,675)
(d)	Occupancy expenses		
	Rental expense relating to operating leases - minimum lease payments	(810,221)	(698,401)
	Other occupancy expenses	(538,928)	(485,737)
	Provision for obligation under onerous leases	21,061	666,212
		(1,328,088)	(517,926)
(e)	Other expenses		
	Administration expenses	(963,027)	(1,219,887)
	Foreign currency exchange loss	-	(92,379)
	Exploration expenditure expensed	(115,176)	(224,716)
	Other expenses	(49,065)	(11,357)
		(1,127,268)	(1,548,339)
(f)	Gain / (loss) on fair value of financial assets through profit and loss		
	Gain / (loss) fair value of financial assets (shares in listed entities) through profit and loss	8(a) (1,107,737)	2,390,470
	Loss on fair value of financial assets (share options in listed entities) through profit and loss	-	(33,246)
		(1,107,737)	2,357,224

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4. INCOME TAXES

In May 2012, the Company received a notice of amended tax assessment and penalty notice (**Amended Assessment**) from the Australian Taxation Office (**ATO**) which resulted from an audit by the ATO.

On 11 December 2012 the Company announced that following discussions with the ATO it had agreed to an arrangement for payment (**Arrangement**) to pay half the primary tax and shortfall interest charge pending the outcome of objections lodged by the Company. Under this Arrangement the Company paid to the ATO an amount of \$33,395,426. On 26 February 2014 the Company announced that the objections lodged with the ATO in relation to the Amended Assessment were disallowed.

On 1 August 2014, the Company announced it had reached an out of court settlement with the ATO. Under the terms of the settlement, the Company has, on a without admission of liability basis, made a final payment to the ATO of \$2,465,106 following the issue of further amended assessments. The Company received a refund from the ATO during the year of \$168,092 which represented the refund of withholding tax. This represents full and final settlement and removes the potential for any further payments to the ATO under the Amended Assessment issued in 2012. Included within the total settlement amount was interest payable of \$6,159,613 recognised in the Consolidated Statement of Comprehensive Income for the year ended 30 June 2014.

Consolidated	
2015	2014
\$	\$

Major components of income tax expense for the year are:

Income statement

Current income

Current income tax charge / (benefit)	(1,883)	(4,175,904)
Amended assessment in respect of tax audit	-	29,700,919

Deferred income tax

Relating to origination and reversal of temporary differences	-	425,121
Adjustments in respect of income tax of previous year	-	(425,121)

Income tax (benefit) / expense reported in income statement	(1,883)	25,525,015
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Statement of changes in equity

Income tax expense reported in equity	-	-
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4. INCOME TAXES (CONTINUED)

Reconciliation

A reconciliation of income tax expense / (benefit) applicable to accounting profit / (loss) before income tax at the statutory income tax rate to income tax expense / (benefit) at the Company's effective income tax rate for the year is as follows:

	Consolidated	
	2015	2014
	\$	\$
Accounting profit / (loss) before income tax	(179,450,090)	157,916
Income tax expense / (benefit) at the statutory income tax rate of 30% (2014: 30%)	(53,835,027)	47,375
Adjusted for :-		
Non-deductible expenses / Non-assessable income	113,712	91,778
Share based payments	32,819	(90,596)
Deferred tax assets and tax losses not recognised	3,266,543	196,859
Net capital (loss) / gain	-	(284,250)
Share of losses of associates	382,915	518,694
Impairment of associates	-	71,799
Impairment of loans and interest receivables	9,014,275	-
Reversal of impairment allowance	-	(450,000)
Impairment of exploration assets	42,257,941	11,718,527
Gain on sale of tenements	-	(15,000,000)
Effective interest	(524,500)	-
Tax settlement	-	29,700,919
Adjustments in respect of current and deferred tax of previous year	(795,786)	(425,121)
Other	85,225	(570,969)
Income tax expense / (benefit) reported in income statement	<u>(1,883)</u>	<u>25,525,015</u>

Recognised deferred tax assets and liabilities

The deferred tax liability balance comprises temporary differences attributable to:

	Consolidated	
	2015	2014
	\$	\$
The deferred tax liability balance comprises temporary differences attributable to:		
Accrued income	(446,721)	(466,976)
Capitalised expenditure	(86,520)	(818,286)
Unrealised foreign exchange gains / losses	(806,780)	(108,764)
Financial assets	(252,310)	(252,310)
Deferred tax liability	<u>(1,592,331)</u>	<u>(1,646,336)</u>

The deferred tax asset balance comprises temporary differences attributable to:

Finance assets	-	-
Accrued expenses and provisions	1,592,331	1,646,336
Business related costs	-	-
Other	-	-
Deferred tax asset	<u>1,592,331</u>	<u>1,646,336</u>
Net deferred tax asset /(liability)	<u>-</u>	<u>-</u>

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4. INCOME TAXES (CONTINUED)

Movement in temporary differences during the current year

	Balance 1 July 2014	Adjustments in respect of deferred income tax of previous year	Recognised in Income	Balance 30 June 2015
	\$	\$	\$	\$
Consolidated				
Accrued income	(466,976)	-	20,255	(446,721)
Financial assets	(252,310)	-	-	(252,310)
Accrued expenses and provisions	1,646,336	-	(54,005)	1,592,331
Capitalised exploration expenditure	(818,286)	-	731,766	(86,520)
Unrealised foreign exchange gains / losses	(108,764)	-	(698,016)	(806,780)
Net deferred tax asset / (liability)	-	-	-	-

Movement in temporary differences during the prior year

	Balance 1 July 2013	Adjustments in respect of deferred income tax of previous year	Recognised in Income	Balance 30 June 2014
	\$	\$	\$	\$
Consolidated				
Accrued income	-	-	(466,976)	(466,976)
Financial assets	98,930	-	(351,240)	(252,310)
Accrued expenses and provisions	87,082	-	1,559,254	1,646,336
Business related costs	894,183	-	(894,183)	-
Capitalised exploration expenditure	(1,195,550)	(425,121)	802,384	(818,286)
Unrealised foreign exchange gains / losses	(108,764)	-	-	(108,764)
Other	224,119	-	(224,119)	-
Net deferred tax asset / (liability)	-	(425,121)	(425,121)	-

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4. INCOME TAXES (CONTINUED)

	Consolidated	
	2015	2014
	\$	\$
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Tax losses	86,034,725	68,831,692
@ 30%	25,810,417	20,649,508

The tax losses do not expire under current legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits.

5. SHARE-BASED PAYMENT ARRANGEMENTS

Share-based payments granted during the current year

During the financial year, 9,225,000 share options were granted to directors, employees and consultants (30 June 2014: 500,000) of which 300,000 (30 June 2014: nil) were forfeited during the current year and nil (30 June 2014: nil) were forfeited subsequent to balance date. The share options were issued for no consideration as part of their remuneration package. The share options issued were approved by the Company's shareholders at the Annual General Meeting of the Company's shareholders on 27 November 2014. The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, term of the option, impact of dilution, share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The option holder forfeits the options upon resignation of employment (Service condition).

Vesting conditions:

- (a) The Options will vest if the Company successfully divests (wholly or partially) its interest in the Marampa Project (whether by joint venture, sale or IPO), or the sale of the Mayoko royalty or the sale of any major asset by an associate company in the portfolio of companies managed by Cape Lambert.
- (b) If there is a Change of Control Event prior to the Expiry Date, the Options shall automatically vest. "Change of Control Event" means the occurrence of:
 - i. The offeror under a takeover offer in respect of all the shares in the Company announces that it has achieved acceptances in respect of 50.1% or more of the Shares; and
 - ii. That the takeover bid becomes unconditional; or
 - iii. The announcement by the Company that shareholders of the Company have at a court convened meeting of shareholders voted in favour, by necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
 1. Cancelled; or
 2. Transferred to a third party; and
 3. The court, by order, approved the proposed scheme of arrangement.

The assessed fair value at grant date of the 3,300,000 options granted to Directors during the year ended 30 June 2015 was \$0.0457 per option. The model inputs for options granted during the year ended 30 June 2015 included:

- (a) options were issued for no consideration
- (b) exercise price: \$0.088
- (c) grant date: 27 November 2014
- (d) expiry date: 18 December 2016
- (e) share price at grant date: \$0.09
- (f) expected price volatility of the company's shares (based on the historic volatility based on the year pre-grant date) : 90%
- (g) expected dividend yield: 0.0%
- (h) risk-free interest rate: 2.61%

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5. SHARE-BASED PAYMENT ARRANGEMENTS (CONTINUED)

The assessed fair value at grant date of the 5,925,000 options granted to employees and consultants during the year ended 30 June 2015 was \$0.039 per option. The model inputs for options granted during the year ended 30 June 2015 included:

- (a) options were issued for no consideration
- (b) exercise price: \$0.088
- (c) grant date: 27 November 2014
- (d) expiry date: 18 December 2016
- (e) share price at grant date: \$0.09
- (f) expected price volatility of the company's shares (based on the historic volatility based on the year pre-grant date) : 90%
- (g) expected dividend yield: 0.0%
- (h) risk-free interest rate: 2.61%

Options outstanding at balance date

There were 9,425,000 options outstanding at 30 June 2015 (2014: 500,000).

Reconciliation of options on issue

The following reconciles the outstanding share options granted, exercised and lapsed during the financial year:

	2015		2014	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Balance at beginning of the financial year	500,000	0.15	10,940,000	0.29
Granted during the financial year (i)	9,225,000	0.088	500,000	0.15
Exercised during the financial year	-	-	-	-
Lapsed during the financial year (ii)	-	-	10,940,000	0.29
Forfeited during the financial year (iii)	(300,000)	-	-	-
Balance at end of the financial year	<u>9,425,000</u>	<u>0.091</u>	500,000	0.15
Exercisable at end of the financial year	<u>500,000</u>	<u>0.015</u>	500,000	0.15

- (i) During the current year, 9,225,000 (30 June 2014: 500,000) shares options were issued at a weighted exercise price of \$0.088 (30 June 2014: \$0.15).
- (ii) During the current year, nil (30 June 2014: 10,940,000) share options lapsed at a weighted average exercise price of nil (30 June 2014: \$0.29).
- (iii) During the current year, 300,000 (30 June 2014: nil) shares options were forfeited at a weighted averaged exercise price of \$0.08 (30 June 2014: nil) due to employees or contractors resigning.

Rights attaching to options

The Employee Incentive Scheme, approved by the shareholders in December 2000, entitles each option holder to one share exercisable any time up to or on the expiry date at the stated exercise price; does not confer the right to a change in exercise price; subject to the *Corporations Act 2001*, the ASX Listing Rules and the Company's Constitution are freely transferable; the shares, upon exercise of the options, will rank pari passu with the Company's then issued shares; will be applied for quotation; the Option Holder can participate in a pro rata issue to the holders of the underlying securities in the Company if the Options are exercised before the record date of an entitlement; in the event of any reconstruction of the issued capital of the Company, all rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

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6. REMUNERATION OF AUDITORS

The auditor of Cape Lambert Resources Limited is Ernst & Young Australia.

	Consolidated	
	30 June 2015	30 June 2014
	\$	\$
<i>Amounts received or due and receivable by Ernst & Young Australia for:</i>		
An audit or review of the financial report of the entity and any other entity in the consolidated group	203,037	175,150
Tax	-	70,288
Other	500	-
	203,537	245,438
 <i>Amounts received or due and receivable by related practices of Ernst & Young for:</i>		
Tax	85,170	69,066
	85,170	69,066
 <i>Amounts received or due and receivable by non-Ernst & Young audit firms for:</i>		
An audit or review of the financial report of the entity and any other entity in the consolidated group	13,017	13,626
Tax compliance	-	-
	13,017	13,626

7. TRADE AND OTHER RECEIVABLES

		Consolidated	
		30 June 2015	30 June 2014
		\$	\$
Trade and other receivables – current	Notes		
Trade debtors		3,440,182	266,212
Allowance for doubtful debts		(5,738,257)	-
GST recoverable and other debtors		79,703	312,065
Prepayments		521,588	313,954
Interest receivable		91,429	138,894
Deferred consideration receivable	(a)	2,500,000	2,500,000
Receivable on sale of tenements	(b)	-	51,401,022
Loans receivable	(c)	1,589,694	1,450,000
		2,484,339	56,382,147

- (a) Deferred consideration receivable payable on the achievement of a production milestone. This receivable has been provided for in full as at 30 June 2015.
- (b) On 8 September 2010, the Company announced that it had commenced legal action against MCC Australia Sanjin Pty Ltd and its parent company Metallurgical Corporation of China Limited (MCC) over the final \$80 million owing from the sale of the Cape Lambert magnetite iron ore project in mid-2008.

In March 2013, the Court made orders, inter alia, for the dispute to be determined by an arbitrator in Singapore. In August 2013 the arbitrator issued a partial award requiring MCC China to pay the sum of \$80 million into an escrow account pending the determination of the substantive dispute. On 26 November 2013, the Company

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7. TRADE AND OTHER RECEIVABLES (CONTINUED)

announced that MCC had transferred the disputed sum of \$80 million into an escrow account held with the National Australia Bank, as directed by the arbitrator.

The substantive legal matter was due to be heard in Singapore commencing in July 2014. On 14 July 2014, the Company announced it had reached an out of court settlement with MCC. Under the terms of the settlement, the escrow agent was ordered to release the funds held in escrow with \$30 million payable to MCC and the balance of \$51.6 million (\$51.4 million net of withholding tax refundable to the Company upon lodgement of the tax return for the year ended 30 June 2014), which included accrued interest, to Cape Lambert. The funds were received by the Company on 17 July 2014.

(c) Current loans receivable at balance date are made up as follows:

	Interest rate	Carrying value of loans	
		30 June 2015	30 June 2014
		\$	\$
Current			
Loan of \$200,000 (i)	0%	200,000	-
Loan of \$400,000 (ii)	12.0%	400,000	400,000
Convertible loan note of \$2,000,000 (iii)	12.0%	-	1,900,000
Convertible loan note of \$1,000,000 (iv)	10.0%	-	1,000,000
Convertible loan note of \$200,000 (v)	10.0%	-	200,000
Convertible loan note of \$1,000,000 (vi)	10.0%	-	650,000
Loan of \$200,000 and US\$150,000 (vii)	10.0%	408,944	200,000
Convertible loan note of \$250,250 (viii)	15.0%	250,250	-
Loan of \$320,000 (ix)	10.0%	320,000	-
Loan of USD\$8,000,000 (x)	Libor + 6%	10,447,200	-
Loan of GBP 200,000 (xi)	10.0%	410,500	-
Carrying value of loans		12,436,894	4,350,000
Impairment of receivables		(10,847,200)	(2,900,000)
Current carrying value at amortised cost at balance date		1,589,694	1,450,000

Reconciliation of movement in loans receivable

	Notes	Year ended 30 June 2015	Year ended 30 June 2014
		\$	\$
Opening balance		1,450,000	3,103,569
Payment on subscription to convertible loan notes		250,250	2,855,685
Loans advanced		11,176,144	-
Loans to associated entities		410,500	910,000
Repayment of loans		(650,000)	(1,000,000)
Reversal of loan upon acquisition of subsidiary		-	(1,000,000)
Conversion of convertible loan notes		(200,000)	(4,005,685)
Effective interest		-	86,431
Impairment of loans receivable		(10,847,200)	(1,000,000)
Reversal of impairment allowance		-	1,500,000
Current carrying value at amortised cost at balance date		1,589,694	1,450,000

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7. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (i) In June 2015, the Company advanced \$200,000 to Latin Resources Limited (**Latin**). In part consideration for the loan agreement, the Company will be issued with 10,000,000 shares in Latin and 10,000,000 share options in Latin exercisable at \$0.01 each on or before 25 December 2016. The loan is repayable upon the completion of a non-renounceable entitlement issue by Latin.
- (ii) In December 2012, the Company advanced \$400,000 to Global Strategic Metals Limited (**Global**). Interest is payable at 12% per annum. In part consideration for the loan agreement, the Company has been issued with 3,200,000 share options in Global exercisable at \$0.10 each on or before 31 January 2015. In July 2014, a Deed of Cancellation of Options was entered into cancelling the 3,200,000 options. In September 2014, a deed of assignment and variation entered into, assigning the loan from Global to European Lithium Limited. In January 2015, a deed of variation was entered into, extending the repayment date to 30 June 2015. This loan has been provided for in full as at 30 June 2015.
- (iii) In September 2009, the Company subscribed for convertible loan notes of \$2,000,000 in South East Asia Resources Limited (formerly Victory West Metals Limited) of which \$100,000 was repaid. The loan has been written off given the appointment of administrators of South East Asia Resources Limited in January 2015.
- (iv) In August 2012, the Company subscribed for convertible loan notes of \$1,000,000 in OGL Resources Limited. The loan has been written off given the appointment of administrators of OGL Resources Limited in December 2014.
- (v) In November 2013, the Company entered into a short term loan agreement with Cauldron Energy Limited (**Cauldron**) which was converted into Cauldron shares at a conversion rate of \$0.13 per share. Interest was payable at 10% per annum. In October 2014, the loan (including interest) of \$218,443 was converted into 1,680,330 ordinary shares in Cauldron.
- (vi) In March 2014, the Company entered into a converting loan agreement with Cauldron. Pursuant to the Converting Loan Agreement, the loan funds, subject to receipt of shareholder approval at Cauldron's 2014 Annual General Meeting, will automatically convert into ordinary shares in the Company. A total \$650,000 was drawn down by Cauldron. On 4 August 2014, \$325,000 was repaid in cash with the final amount of \$349,852 (including interest) repaid in cash on 1 October 2014.
- (vii) In May 2014 the Company advanced a short term loan of \$200,000 to International Goldfields Limited (ASX: IGS). Interest is payable at 10% per annum and repayment is due on 30 June 2015. In May 2015, the Company advanced a further short term loan of US\$150,000 to IGS. In part consideration for the loan agreement, the Company will receive an arrangement fee of US\$10,000 and default interest on overdue amounts is payable at 10% per annum. The loans were due for repayment on 18 May 2015.
- (viii) In August 2014, the Company entered into a converting loan agreement with Kiwanda Mines (NA) LLC for \$250,250. The loans are due for repayment or conversion on 12 August 2015.
- (ix) In November 2014, the Company advanced a loan of \$320,000 to Allegra Capital Pty Ltd. Interest is payable at 10% per annum and repayment is due on or before 25 May 2016.
- (x) On 22 October 2014, the Company announced that it had entered into a US\$20 million funding agreement with Timis Mining (**Agreement**) to assist it with the acquisition of London Mining's Marampa Iron Ore Mine (**Mine**) from the administrator of London Mining PLC. The Agreement was divided into two parts, being (a) US\$8 million Bridging Finance loan and US\$12 million for the purchase of a royalty (refer to Note 8(c)). The bridging finance loan of US\$8 million is repayable in October 2015 and incurs interest of 3 month US LIBOR (London interbank offered rate) + 6%. This loan has been provided for in full as at 30 June 2015.

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7. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (xi) In December 2014, the Company entered into a converting loan agreement with European Lithium Limited (**Euro Lithium**) for £100,000. Interest is payable at 10% per annum and the loan was due for repayment on 30 June 2015. In May 2015, the Company entered into a second loan agreement with Euro Lithium for £100,000. Interest is payable at 10% per annum and the loan was due for repayment on 30 June 2015.

Risk Exposure

The Consolidated Entity's exposure to risk is discussed in more detail in note 26. An impairment allowance of \$10,847,200 (30 June 2014: \$2,900,000) in the current year has been raised in relation to loans past due or where there is doubt over the full recovery of the receivable.

Movements in the impairment allowance

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Brought forward	2,900,000	3,400,000
Impairment of loans receivable	10,847,200	1,000,000
Reversal of impairment allowance	-	(1,500,000)
Doubtful debts written off	(2,900,000)	
	<u>10,847,200</u>	<u>2,900,000</u>

8. OTHER FINANCIAL ASSETS

	Notes	Year ended 30 June 2015	Year ended 30 June 2014
		\$	\$
Financial Assets at Fair value through Profit or Loss			
Shares in listed entities	(a)	1,515,864	2,071,281
Call options	(b)	68,799	-
		<u>1,584,663</u>	<u>2,071,281</u>
Financial Assets accounted for as Available-for-sale			
Royalty asset	(c)	-	-
Shares in unlisted entities	(d)	100,000	3,086,669
Total Financial Assets		<u>1,684,663</u>	<u>5,157,950</u>

(a) Movements in the carrying amount of the shares in listed entities

	Notes	Year ended 30 June 2015	Year ended 30 June 2014
		\$	\$
Brought forward		2,071,281	6,039,545
Shares in listed entity received upon advance of loan		321,725	-
Purchase of equity investments		289,132	605,068
Shares in listed entity acquired through acquisition of subsidiary		-	1,000
Gain/(Loss) on fair value of financial assets through acquisition of subsidiary	3 (f)	(1,107,737)	2,390,470
Gain on disposal of equity investments		25,603	149,500
Disposal of equity investments (i)		(84,140)	(7,126,260)
Other		-	11,958
		<u>1,515,864</u>	<u>2,071,281</u>

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8. OTHER FINANCIAL ASSETS (CONTINUED)

(i) During the year ended 30 June 2014 TSX listed Eldorado Gold Corporation (TSX: ELD) (**Eldorado**) completed an off market takeover to acquire all of the shares in Glory Resources Limited (ASX: GLY) (**Glory Resources**). On 20 February 2014, the Company received \$6,247,000 in cash which represents that sale of the Company's shareholding in Glory Resources based on 36,750,000 shares at \$0.17 per share. The Company also received \$6,500,000 for an upfront payment in lieu of two milestone payments.

(b) Conversion of call options exercised

In June 2015 the Company executed a loan agreement with Latin Resources Limited which included as part consideration 10,000,000 share call options in Latin. The Company recognised a profit on fair value of these options through the profit and loss of \$68,799 (30 June 2014: \$33,246).

(c) Royalty asset

On 22 October 2014, the Company announced that it had entered into a US\$20 million funding agreement with Timis Mining (**Agreement**) to assist it with the acquisition of London Mining's Marampa Iron Ore Mine (**Mine**) from the administrator of London Mining PLC. The Agreement was divided into two parts, being (a) US\$8 million Bridging Finance loan and US\$12 million for the purchase of a royalty (**Royalty Purchase**). Pursuant to the Royalty Purchase, Cape Lambert will receive US\$2 per tonne of iron concentrate exported from the Mine (**Royalty**), payable on a quarterly basis on production of 24mt from the Mine from the date of the first export shipment of iron ore from the Mine, being 28 December 2014.

The Royalty asset has been classified as an available-for-sale financial asset valued using a discounted cash flow model (level 3 in the fair value hierarchy). The key input into the valuation method is expected future shipments.

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Brought forward	-	-
Purchase of royalty asset	13,766,142	-
Interest recognised based on the effective interest rate method	1,748,333	-
Cash proceeds received	(390,469)	-
Royalties due and payable	(3,238,257)	-
Foreign exchange	1,007,144	-
Impairment of royalty asset	(12,892,893)	-
	-	-

(d) Movements in the carrying amount of the shares in unlisted entities

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Brought forward – at cost less impairment	3,086,669	5,000,000
Purchase of equity investments	-	50,000
Impairment of investment	(2,986,669)	(1,963,331)
	100,000	3,086,669

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8. OTHER FINANCIAL ASSETS (CONTINUED)

(e) Impairment and Risk exposure

Investments in unlisted entities are classified as available for sale financial assets. Available for sale financial assets are measured at fair value, or cost where fair value cannot be reliably measured until the investment is disposed of or determined to be impaired, at which time the gain or loss on disposal or the impairment is recognised in the profit or loss. Management have recognised an impairment loss of \$2,986,669 (30 June 2014: \$1,963,331) in relation to the unlisted investment during the year ended 30 June 2015 on the basis of the most recent equity issue by the unlisted entity.

The Cape Lambert Group's exposure to risk is discussed in note 26.

9. RESTRICTED CASH

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Current restricted cash		
Term deposits	<u>32,754</u>	16,431
Brought forward	16,431	6,449,963
Restricted cash received on acquisition of subsidiary	-	1,447,988
Receipt of restricted cash in relation to environmental bonds / performance bonds	-	(7,894,563)
Payment of restricted cash in relation to environmental bonds / performance bonds	12,500	-
Exchange differences	<u>3,823</u>	13,043
	<u>32,754</u>	<u>16,431</u>
Non current restricted cash		
Term deposits	<u>81,833</u>	81,833
Brought forward	81,833	81,833
	<u>81,833</u>	<u>81,833</u>

Restricted cash relates to term deposits, which are not readily accessible to the Consolidated Entity, held with financial institutions as security for bank guarantees issued to:

- (a) Various environmental regulatory departments in respect of the potential rehabilitation of exploration areas; and
- (b) Landlords of leased properties.

Risk Exposure

The Cape Lambert Group's exposure to risk is discussed in note 26.

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10. PROPERTY, PLANT AND EQUIPMENT

	Plant & Equipment	Buildings	Motor Vehicles	Furniture & Fittings	Leasehold Improvements	Total
Cost	\$	\$	\$	\$	\$	\$
At 1 July 2013	1,120,419	831,407	481,277	825,876	1,651,419	4,910,398
Additions	170,619	3,260	54,041	1,374	-	229,294
Additions of acquisition of subsidiary	93,239	-	-	-	-	93,239
Reclassification of assets previously classified as held for sale	611,190	-	208,819	42,551	-	862,560
Write down (a)	(550,424)	-	(188,609)	(5,709)	(4,824)	(749,566)
Exchange differences	61,494	95,262	(40,966)	(27,176)	(5,667)	82,947
At 30 June 2014	1,506,537	929,929	514,562	836,916	1,640,928	5,428,872
Additions	33,184	-	36,103	635	-	69,922
Write down	(72,318)	-	-	-	(200,144)	(272,462)
Exchange differences	(71,037)	105,381	(181,756)	121,847	23,567	(1,998)
At 30 June 2015	1,396,366	1,035,310	368,909	959,398	1,464,351	5,224,334
Accumulated depreciation						
At 1 July 2013	(728,631)	(45,288)	(252,725)	(704,662)	(468,408)	(2,199,714)
Depreciation expense	(423,498)	(61,371)	(194,930)	(37,980)	(436,896)	(1,154,675)
Accumulated depreciation on acquisition of subsidiary	(65,773)	-	-	-	-	(65,773)
Accumulated depreciation relating to assets previously classified as held for sale	(337,022)	-	(55,876)	(8,107)	-	(401,005)
Write down (a)	550,424	-	188,609	5,709	4,824	749,566
Exchange differences	33,480	(79,916)	14,229	10,503	5,650	(16,054)
At 30 June 2014	(971,020)	(186,575)	(300,693)	(734,537)	(894,830)	(3,087,655)
Depreciation expense	(250,076)	(49,658)	(85,608)	(36,876)	(293,206)	(715,424)
Write down	56,955	-	-	-	166,677	223,632
Exchange differences	17,184	(14,807)	109,643	(97,606)	9,931	24,345
At 30 June 2015	(1,146,957)	(251,040)	(276,658)	(869,019)	(1,011,428)	(3,555,102)

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10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Plant & Equipment	Buildings	Motor Vehicles	Furniture & Fittings	Leasehold Improvements	Total
	\$	\$	\$	\$	\$	\$
Net Book Value						
At 1 July 2013	391,787	786,119	228,552	121,214	1,183,011	2,710,683
Additions	170,620	3,260	54,041	1,374	-	229,295
Additions of acquisition of subsidiary	27,466	-	-	-	-	27,466
Reclassification of assets previously classified as held for sale	274,167	-	152,943	34,444	-	461,554
Depreciation expense	(423,498)	(61,371)	(194,930)	(37,980)	(436,896)	(1,154,675)
Exchange differences	94,977	15,346	(26,736)	(16,673)	(17)	66,897
At 30 June 2014	535,519	743,354	213,870	102,379	746,098	2,341,220
Additions	33,184	-	36,103	635	-	69,922
Write down (a)	(15,363)	-	-	-	(33,467)	(48,830)
Depreciation expense	(250,076)	(49,658)	(85,608)	(36,876)	(293,206)	(715,424)
Exchange differences	(53,855)	90,574	(72,114)	24,241	33,498	22,344
At 30 June 2015	249,409	784,270	92,251	90,379	452,923	1,669,232

- (a) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The impairment loss represents the write down of certain plant and equipment to the recoverable amount. An item of property, plant and equipment initially recognised is derecognised when no future economic benefits are expected from use or its disposal.

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11. EXPLORATION AND EVALUATION EXPENDITURE

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Exploration and evaluation phases	15,683,601	125,755,066
Movement in carrying amounts		
Brought forward	125,755,066	48,301,425
Exploration and evaluation expenditure capitalised during the year	13,488,286	12,363,715
Exploration and evaluation expenditure on acquisition of subsidiary (a)	-	3,415,457
Exploration assets divested during the year	(75,000)	-
Exploration and evaluation reclassified from held-for-sale	-	102,925,272
Exploration expenditure impaired during the year (b)	(140,859,803)	(39,061,758)
Foreign currency gains / (losses)	17,375,052	(2,189,045)
Total exploration and evaluation phases	15,683,601	125,755,066

The value of the exploration expenditure is dependent upon:

- the continuance of the rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

Certain of Cape Lambert's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Indigenous people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

(a) Exploration and evaluation expenditure on acquisition of subsidiary

Upon conversion of a \$2,000,000 convertible loan plus \$294,603 (interest receivable) into 104,193,055 shares in FE Limited, the Company held 57.9% in FE Limited at 30 June 2014 resulting in FE Limited becoming a subsidiary of Cape Lambert Resources Limited in February 2014.

(b) Impairment

During the year ended 30 June 2015, Cape Lambert recognised impairment losses in respect of capitalised exploration and evaluation to the extent of \$140,859,803 (30 June 2014: \$39,061,758). The impairment made during the period was recognised on areas of interest where sufficient data existed at balance date to indicate that the carrying amount of the exploration and evaluation asset was unlikely to be recovered in full from successful development or by sale.

The estimated recoverable amount of the Marampa project was determined to be \$12,500,000 on the basis of fair value less costs to dispose, using a valuation range provided by an independent expert valuation. The independent valuation considered both the empirical method and the multiples of exploration expenditure ("MEE") method and provided a range of preferred values for the Marampa project from \$12.5 million (using the empirical method, based on the multiples ranging from \$0.01 to \$0.09 per tonne of contained iron) to \$63.6 million (using the MEE method and applying a prospectivity enhancement multiplier of 0.50). In order to maximise the use of observable inputs as required by accounting standards, the fair value less costs to dispose of the Marampa project was determined, using the empirical method only, as \$12,500,000. The estimated recoverable amount is classified as level 3 in the fair value hierarchy and is sensitive to movements in the iron ore price.

Other areas of interest on which impairment was recognised during the financial year were impaired to nil on the basis that no future benefits were expected.

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12. INVESTMENTS IN ASSOCIATED ENTITIES

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Investments in associates accounted for using the equity method	3,629,855	3,652,394

(a) Investment details

	Percentage held at balance date		Year ended	Year ended
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	%	%	\$	\$
Cauldron Energy Limited ¹	17.1	21.0	1,652,560	2,308,526
Kupang Resources Limited ²	12.6	12.6	-	55,000
Global Strategic Metals Limited ³	27.4	28	-	1,288,868
European Lithium Limited ³	21.9	-	1,977,295	-
			3,629,855	3,652,394

¹ Although the Company holds less than a 20% interest, these investments are equity accounted given the significant influence the Company has through Mr Sage's role on the boards of these companies and the interchange of management personnel.

² On 28 May 2015 receivers and managers were appointed to Kupang Resources Limited (ASX: KPR). KPR was removed from the official list of the Australian Securities Exchange on 31 August 2015

³ On 15 August 2014 Global Strategic Metals Limited (GSZ) was removed from the official list of the Australian Securities Exchange following the demerger and pro-rata in specie distribution of 80% of the shares in European Lithium Limited. In line with the demerger GSZ retained the Elizabeth Hill project and European Lithium Limited retained the Wolfsberg Lithium project. Shareholders retained their shareholding in GSZ and were issued shares in European Lithium Limited on a pro-rata in specie distribution basis. The value of Cape Lambert's investment in GSZ was largely transferred to European Lithium given the value of the Wolfsberg Lithium project relative to the Elizabeth Hill project.

(b) Movements in the carrying amount of the investment in associates

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Balance at beginning of period	3,652,394	3,150,607
Acquisition of shares in associates	299,756	669,363
Disposal of shares in associates	(26,801)	-
Conversion of convertible loan notes (i)	633,913	4,387,267
Share of losses of associates recognised during the year	(1,276,384)	(1,728,978)
Share of reserves of associates recognised during the year	346,975	(53,903)
Interest in associate reclassified as subsidiary upon gaining control	-	(2,532,631)
Impairment loss (e)	-	(239,331)
	3,629,855	3,652,394

(i) During the year the Company converted loans of \$415,470 including accrued interest (30 June 2014: \$1,350,000 plus accrued interest) into 14,326,588 (30 June 2014: 47,084,932) shares in Global Strategic Metals Limited.

During the year the Company converted a \$200,000 loan plus accrued interest (30 June 2014: \$650,000 plus accrued interest) into 1,680,330 (30 June 2014: 6,042,839) shares in Cauldron Energy Limited.

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12. INVESTMENTS IN ASSOCIATED ENTITIES (CONTINUED)

(c) Fair value of investments in listed associates

The fair value of listed associates has been determined by reference to published price quotations in an active market (level 1 in the fair value hierarchy).

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Cauldron Energy Limited	4,723,644	14,854,280
Kupang Resources Limited	-	974,459
Global Strategic Metals Limited	-	1,288,869

There was no quoted market price available for European Lithium Limited at 30 June 2015 as it was unlisted. The shares of Kupang Resources Limited were suspended from trading at 30 June 2015.

(d) Summarised financial information

The following table illustrates summarised financial information relating to individually immaterial associates:

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Profit or loss from continuing operations	(6,712,800)	(8,054,360)
Post-tax profit or loss from discontinued operations	-	(796,159)
Other comprehensive income	3,292	(1,239,413)
Total comprehensive income	(6,709,508)	(10,089,932)

(e) Impairment assessment

The carrying amounts of the investments in associates were assessed for impairment at 30 June 2015. Impairment losses of \$NIL have been recognised (2014: \$239,331).

13. TRADE AND OTHER PAYABLES

Current

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
<i>Unsecured</i>		
Trade payables	769,767	951,584
Other creditors and accruals	2,954,971	6,120,046
	3,724,738	7,071,630

Risk Exposure

The Cape Lambert Group's exposure to risk is discussed in note 26.

Terms and Conditions

Terms and conditions relating to the above financial instruments:

- (i) Trade creditors are non-interest bearing and are normally settled on 30 day terms.
- (ii) Sundry creditors and accruals are non-interest bearing and have an average term of 30 days.

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14. PROVISIONS

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Current provisions		
Employee entitlements	34,662	89,474
Provision for obligations under onerous lease	300,028	209,965
Other	80,323	137,832
	415,013	437,271
 Non-Current provisions		
Provision for obligations under onerous lease	401,818	512,942
	401,818	512,942

Provisions are made for obligations under onerous operating leases when the properties are not used by the Group and the net costs of exiting from the leases exceed the economic benefits expected to be received.

15. ISSUED CAPITAL

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
626,686,586 fully paid ordinary shares (2014: 634,727,857)	189,786,328	190,685,855

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholders meetings, each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

Movement in ordinary shares on issue

	Ordinary fully paid shares	
	Number	\$
2015		
Shares on issue at 1 July 2014	634,727,857	190,685,855
Shares cancelled as part of on-market buyback	(8,041,271)	(899,527)
Shares on issue at 30 June 2015	626,686,586	189,786,328
 2014		
Shares on issue at 1 July 2013	679,691,942	195,614,664
Shares cancelled as part of on-market buyback	(44,964,085)	(4,928,809)
Shares on issue at 30 June 2014	634,727,857	190,685,855

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15. ISSUED CAPITAL (CONTINUED)

Capital Risk Management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Cape Lambert Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "borrowings" and "trade and other payables" as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Total Trade and other payables	3,724,738	7,071,630
less: Cash and cash equivalents	<u>(9,033,714)</u>	<u>(20,490,719)</u>
Net (cash)/debt	(5,308,976)	(13,419,089)
Total equity	<u>44,258,422</u>	<u>203,546,374</u>
Total capital	<u>38,949,446</u>	<u>190,685,855</u>
Gearing ratio	0%	0%

16. RESERVES

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Foreign currency translation reserve	21,116,525	2,478,621
Share based payments reserve	2,079,450	1,623,840
Business combination reserve	<u>(1,603,919)</u>	<u>(1,603,919)</u>
	<u>21,592,056</u>	<u>2,498,542</u>
Foreign currency translation reserve		
Balance at beginning of financial year	2,478,621	4,273,414
Foreign currency exchange differences arising on translation of foreign operation	18,637,140	(1,626,606)
Share of movement of associate's foreign currency translation reserve	764	(168,187)
Balance at end of financial year	<u>21,116,525</u>	<u>2,478,621</u>
Share based payments reserve		
Balance at beginning of financial year	1,623,840	1,811,542
Share of movement of associate's share based payments reserve	346,211	114,284
Options lapsed	-	(331,201)
Options issued	109,399	29,215
Balance at end of financial year	<u>2,079,450</u>	<u>1,623,840</u>
Business combination reserve		
Balance at beginning of financial year	<u>(1,603,919)</u>	<u>(1,603,919)</u>
Balance at end of financial year	<u>(1,603,919)</u>	<u>(1,603,919)</u>

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16. RESERVES (CONTINUED)

Nature and Purpose of Reserves

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign subsidiaries.

Share based payments reserve

The share based payments reserve records items recognised as expenses on valuation of employee share options, and options issued to directors and consultants.

Business combination reserve

The business combination reserve is used to record the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

17. RETAINED EARNINGS / (ACCUMULATED LOSSES)

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Balance at beginning of financial year	9,746,310	33,898,550
Loss for the year	(178,909,136)	(24,152,240)
Dividend paid in the year (i)	(12,533,732)	-
Balance at end of financial year	(181,696,558)	9,746,310

- (i) On 8 August 2014, following the successful settlements with the ATO and MCC, the Company announced the payment of 4cps in fully franked dividends. The payment of the first fully franked dividend of 2cps was made on 31 October 2014. On 7 January 2015, the Company announced the cancellation of the second fully franked dividend of 2cps originally scheduled to be paid on 27 February 2015.

18. LOSS PER SHARE

	2015 Cents per Share	2014 Cents per Share
Basic loss per share (a)	(28.52)	(3.64)
Diluted loss per share (b)	(28.52)	(3.64)

(a) Basic Loss per Share

The loss and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	30 June 2015	30 June 2014
	\$	\$
Loss for the year	(178,909,136)	(24,152,240)
	2015 Number	2014 Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	627,294,592	664,230,293

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18. LOSS PER SHARE (CONTINUED)

(b) Diluted Loss per Share

The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:

	30 June 2015	30 June 2014
	\$	\$
Loss for the year	(178,909,136)	(24,152,240)

	2015	2014
	Number	Number
Weighted average number of ordinary shares for the purposes of diluted earnings per share (c).	627,294,592	664,230,293

(c) Weighted average number of shares

	2015	2014
	Number	Number
Weighted average number of ordinary shares for the purposes of basic (loss) / earnings per share	627,294,592	664,230,293
Effect of dilution:		
Share options	-	-
	627,294,592	664,230,293

There are 9,425,000 share options (30 June 2014: 500,000) excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are anti-dilutive for the current period presented.

Since 30 June 2015 and prior to the date of completion of these financial statements, nil share options (30 June 2014: nil) have been forfeited and nil share options (30 June 2014: nil) have been exercised.

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19. COMMITMENTS

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
<i>Operating lease commitments</i>		
Minimum lease payments not provided for in the financial report and payable:		
not later than one year	462,070	381,166
later than one year but not later than five years	1,836,836	685,433
later than five years	-	-
Aggregate expenditure contracted for at balance date but not provided for	2,298,906	1,066,599

The Company entered into a lease commencing on 1 April 2012 for office premises at 32 Harrogate Street, West Leederville, for a period of 5 years, terminating on 31 March 2017. On 22 June 2015 the Company entered into a deed of variation for the lease at 32 Harrogate Street, West Leederville, extending the term by 3 years terminating on 31 March 2020.

Cape Lambert Minsec Pty Ltd (Cape Lambert Minsec), a wholly owned subsidiary of the Company, has a lease obligation for office premises located in Golden Square, London. The lease of these premises terminates on 2 July 2017. This has been provided for as an onerous lease (refer to Note 14) and is not included in the above numbers.

Cape Lambert Minsec has entered into sub-lease agreements for office premises located in Golden Square, London until 2 July 2017.

20. CONTINGENT ASSETS AND LIABILITIES

Contingent asset for future royalties payable from the Mayoko Iron Ore Project

In March 2012, Johannesburg Stock Exchange listed Exxaro Resources Limited completed a takeover offer for all of the shares and listed options in African Iron Limited, a company in which the Company held 126,700,000 shares, delivering \$72.2 million in cash to the Company. African Iron Limited owns the Mayoko Iron Ore Project which is located in the Republic of Congo (**Mayoko Project**). As part of the takeover transaction, the Company retains a production royalty of AUD\$1.00 (indexed annually to the CPI) per tonne of iron ore shipped from the Mayoko Project (**Mayoko Royalty**).

On 6 February 2014, the Company released an announcement advising shareholders that Exxaro Resources Limited has been granted a Mining Convention for the Mayoko Project.

As at 30 June 2015, the Company has not recognised any amount for the Mayoko Royalty as a receivable.

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21. SUBSIDIARIES

Name of Entity	Country of Incorporation	Ownership Interest	
		2015 %	2014 %
<i>Parent entity</i>			
Cape Lambert Resources Limited	Australia	-	-
<i>Subsidiaries</i>			
African Minerals Exploration Pty Ltd	Australia	100%	100%
Aurora (Bermuda) Minerals Limited	Bermuda	100%	100%
Aurum (Cote d'Ivoire) SA Limited	Cote d'Ivoire	100%	100%
Aurex (Bermuda) Limited ¹	Bermuda	100%	100%
Aurex Cote d'Ivoire SA Limited ¹	Cote d'Ivoire	100%	100%
Australis Exploration Pty Ltd	Australia	100%	100%
Buka Minerals Pty Ltd	Australia	100%	100%
Cape Lambert Minsec Pty Ltd	Australia	100%	100%
Danae Resources Pty Ltd	Australia	100%	100%
Dempsey Resources Bermuda Limited	Bermuda	100%	100%
Dempsey Resources Pty Ltd	Australia	100%	100%
Fe Limited	Australia	57.74%	57.9%
Marampa Iron Ore (Bermuda) Limited	Bermuda	100%	100%
Marampa Iron Ore Limited	British Virgin Islands	100%	100%
Marampa Iron Ore (SL) Limited	Sierra Leone	100%	100%
Metals Exploration (Australia) Pty Ltd	Australia	100%	100%
Metals Exploration (Bermuda) Limited ¹	Australia	100%	100%
Metals Exploration (Cote D'Ivoire) SA	Cote d'Ivoire	100%	100%
Metal Exploration (Mauritius) Limited	Mauritius	100%	100%
Metal Exploration (SL) Limited	Sierra Leone	100%	100%
Mineral Exploration (Bermuda) Limited	Bermuda	100%	100%
Mineral Assets (Bermuda) Limited	Bermuda	100%	100%
Mineral Projects Pty Ltd	Australia	100%	100%
Mineral Resources (Bermuda) Limited	Bermuda	100%	100%
Mineral Securities Investments (Australia) Pty Ltd	Australia	100%	100%
Mineral Securities Limited	British Virgin Islands	100%	100%
Mineral Securities Operations Pty Ltd	Australia	100%	100%
Mineral Securities (UK) Ltd	UK	100%	100%
Minerals Exploration (Cote d'Ivoire) SA	Cote d'Ivoire	100%	100%
Mining International Pty Ltd	Australia	100%	100%
Mining Quest Pty Ltd ¹	Australia	100%	100%
Minsec Investments (BVI) Limited	British Virgin Islands	100%	100%
Mt Anketell Pty Ltd	Australia	100%	100%
Multiplex Resources (Kazakhstan) Limited	United Kingdom	100%	100%
Pinnacle Group Assets Limited	British Virgin Islands	100%	100%
Pinnacle Group Assets Limited SA	Guinea	100%	100%
Pinnacle Group Assets (SL) Limited	Sierra Leone	100%	100%

¹ In the process of being liquidated

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22. SEGMENT INFORMATION

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. In the case of the Cape Lambert Group the CODM are the executive management team and all information reported to the CODM is based on the consolidated results of the Consolidated Entity as one operating segment, as the Cape Lambert Group's activities relate to mineral exploration.

Accordingly, the Cape Lambert Group has only one reportable segment and the results are the same as the Cape Lambert Group results.

Information by geographical region

The analysis of the location of non-current assets other than financial instruments and deferred tax assets is as follows:

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Australia	4,499,342	5,412,172
West Africa	16,565,179	126,418,342
	21,064,521	131,830,514

Revenue by geographical region

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Australia	3,633,953	3,084,575
West Africa	-	-
	3,633,953	3,084,575

23. RELATED PARTY DISCLOSURES

Subsidiaries

The consolidated financial statements include the financial statements of Cape Lambert Resources Limited and the subsidiaries listed in note 21.

Ultimate parent

The ultimate Australian parent entity is Cape Lambert Resources Limited.

Transactions with related parties

Transactions between related parties are on commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

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23. RELATED PARTY DISCLOSURES (CONTINUED)

Agreements entered into with related parties

Office lease agreement with Okewood Pty Ltd

On 1 April 2012 the Company entered into a lease agreement with Okewood Pty Ltd, a company owned by Tony Sage, for the lease of 32 Harrogate Street, West Leederville WA 6007. The term of the lease is 1 April 2012 to 31 March 2017 with a first and second extended term option. The lease is based on an area of 1,208m² at a rent of \$483,200 (excluding GST) per annum, subject to an annual CPI increase, with variable outgoings and parking charged separately at market rates.

On 22 June 2015, a deed of variation was entered into modifying the terms of the lease agreement. Under the terms of the variation, the term of the lease is 1 April 2012 to 31 March 2020 with an extended term option. The lease is based on an area of 1,148m² at a rent of \$459,200 (excluding GST) per annum, subject to an annual CPI increase, with variable outgoings and parking charged separately at market rates.

Sub-lease agreements for office space

On 25 June 2012, the Company has entered into sub-lease agreements with the following related entities:

African Petroleum Corporation Limited
International Petroleum Limited
Fe Limited
Cauldron Energy Limited

The lease covers the rental, outgoings and parking charges for a five year term that mirrors the lead lease agreement and was made on commercial terms and conditions at market rates. Refer to the table below which summarises the recharges.

On 6 July 2012, the Company entered into sub-lease agreements with Global Strategic Metals Limited. The lease covers the rental, outgoings and parking charges for a five year term that mirrors the lead lease agreement and was made on commercial terms and conditions at market rates. Refer to the table below which summarises the recharges during the current year. On 22 September 2014 this sub-lease was terminated.

On 17 February 2015, the Company entered into sub-lease agreements with Latin Resources Limited. The lease covers the rental, outgoings and parking charges for a five year term that mirrors the lead lease agreement and was made on commercial terms and conditions at market rates.

On 1 October 2014, Cape Lambert Minsec Pty Ltd entered into a sub-lease agreement with European Lithium Limited for third floor, 14 Golden Square, London, W1F 9JF. The lease covers the rental and service charges and was made on commercial terms and conditions at market rates. Refer to the table below which summarises the recharges.

Global Strategic Metals loan

In December 2012, the Company advanced \$400,000 to Global Strategic Metals Limited (**Global**). Interest is payable at 12% per annum. In part consideration for the loan agreement, the Company has been issued with 3,200,000 share options in Global exercisable at \$0.10 each on or before 31 January 2015. In July 2014, a Deed of Cancellation of Options was entered into cancelling the 3,200,000 options. In September 2014, a deed of assignment and variation entered into, assigning the loan from Global to European Lithium Limited. In January 2015, a deed of variation was entered into, extending the repayment date to 30 June 2015. This loan has been provided for as at 30 June 2015.

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23. RELATED PARTY DISCLOSURES (CONTINUED)

European Lithium loan

In December 2014, the Company entered into a converting loan agreement with European Lithium Limited (**Euro Lithium**) for £100,000. Interest is payable at 10% per annum and the loan was due for repayment on 30 June 2015. In May 2015, the Company entered into a loan agreement with Euro Lithium for £100,000. Interest is payable at 10% per annum and the loan was due for repayment on 30 June 2015

Cauldron Energy Limited loan

In November 2013, the Company entered into a short term loan agreement with Cauldron Energy Limited (**Cauldron**) which was converted into Cauldron shares at a conversion rate of \$0.13 per share. Interest was payable at 10% per annum. In October 2014, the loan (including interest) of \$218,443 was converted into 1,680,330 ordinary shares in Cauldron.

In March 2014 the Company entered into a converting loan agreement with Cauldron. Pursuant to the Converting Loan Agreement, the loan funds, subject to receipt of shareholder approval at Cauldron's 2014 Annual General Meeting, will automatically convert into ordinary shares in the Company. A total \$650,000 was drawn down by Cauldron. On 4 August 2014, \$325,000 was repaid in cash with the final amount of \$349,852 (including interest) repaid in cash on 1 October 2014.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

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23. RELATED PARTY DISCLOSURES (CONTINUED)

		Sales to related parties	Purchases from related parties	Consulting fees paid	Amounts owed by related parties	Amounts owed to related parties
<i>Related entities with common directors:</i>						
African Petroleum Corporation Limited	2015	46,048	-	-	19,135	-
African Petroleum Corporation Limited	2014	32,391	-	-	-	-
International Petroleum Limited	2015	126,610	-	-	-	-
International Petroleum Limited	2014	34,248	-	-	-	-
<i>Associate entities:</i>						
Global Strategic Metals Limited	2015	239,180	-	-	-	-
Global Strategic Metals Limited	2014	127,241	-	-	153,135	-
Cauldron Energy Limited	2015	407,464	-	-	5,119	-
Cauldron Energy Limited	2014	166,035	-	-	33,135	-
Kupang Resources Limited	2015	723,608	-	-	-	-
Kupang Resources Limited	2014	24,107	-	-	4,929	-
European Lithium Limited	2015	135,463	-	-	941,615	-
European Lithium Limited	2014	-	-	-	-	-
<i>Director related entities:</i>						
Perth Fashion Festival Pty Ltd	2015	-	14,879	-	-	-
Perth Fashion Festival Pty Ltd	2014	-	12,104	-	-	-
Perth Glory Football Club	2015	-	64,950	-	-	-
Perth Glory Football Club	2014	-	47,864	-	-	-
Okewood Pty Ltd	2015	32,860	611,386	1,105,000	-	-
Okewood Pty Ltd	2014	-	553,746	700,000	-	-

Perth Fashion Festival Pty Ltd, Okewood Pty Ltd and Okewood Pty Ltd trading as Perth Glory Football Club are entities controlled by Tony Sage.

Key management personnel

The following table discloses the remuneration of the directors and key management personnel of the Company:

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Short-term employee benefits	2,404,350	1,685,317
Post-employment benefits	23,750	31,690
Share based payments	68,570	(217,535)
Long term employee benefits	28,565	11,258
	2,525,235	1,510,730

Detailed remuneration disclosures are provided in the remuneration report.

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24. EVENTS SUBSEQUENT TO REPORTING DATE

There are no significant events and transactions that have taken place subsequent to 30 June 2015.

25. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	Notes	Year ended 30 June 2015	Year ended 30 June 2014
		\$	\$
<i>Cash and cash equivalents</i>			
Cash in banks and on hand		9,033,714	5,490,719
Deposits at call		-	15,000,000
Cash and cash equivalents per consolidated statement of cash flows		9,033,714	20,490,719
Cash and cash equivalents per consolidated statement of financial position		9,033,714	20,490,719

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25. NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

(b) Reconciliation of Net Profit/ (loss) to Net Cash Flows from Operating Activities

Loss from ordinary activities	(179,448,207)	(25,367,099)
<i>Adjusted for non cash items:</i>		
Gain on re-measurement of contingent consideration receivable	-	(6,500,000)
Gain on disposal of tenements	-	(47,898,000)
Gain on disposal of financial assets through profit & loss	(31,828)	(149,500)
Loss on fair value of financial assets through profit & loss	1,107,737	(2,357,224)
Non cash effective interest income	(1,748,332)	(103,987)
Non cash nominal interest income	(130,411)	(1,825,590)
Depreciation and amortisation of non-current assets	715,424	1,154,675
Share of losses of associates	1,276,384	1,728,978
Impairment of investment in associate	-	239,331
Share based payments	109,398	(301,986)
Impairment of capitalised exploration	140,859,803	39,061,758
Provision for impairment of investments	2,986,669	1,963,331
Provision for impairment of receivable	-	281,500
Provision for impairment of loans and receivables	11,416,434	1,103,671
Reversal of provision for impairment of loan receivable	-	(1,500,000)
Provision for onerous leases	(21,061)	(666,212)
Impairment of royalty asset	12,892,893	-
Unrealised foreign currency exchange gains	(2,473,156)	42,789
Impairment of receivable	6,521,402	-
Interest accrued on tax payable	-	6,159,613
Other	(186,182)	(142,304)
<i>Changes in net assets and liabilities, net of effects from business combination acquisitions:</i>		
(Increase)/decrease in trade and other receivables	(1,618,451)	(126,690)
(Increase)/decrease in provisions	(90,063)	-
Increase / (decrease) in deferred tax balances	-	(5,560,868)
Increase / (decrease) in trade and other payables	(2,059,396)	1,028,407
Increase / (decrease) in prepaid tax	-	33,395,426
Increase / (decrease) in income tax payable	(2,297,014)	(2,309,543)
Net cash used in operating activities	(12,217,957)	(8,649,524)

(c) Non-Cash Activities

No significant non-cash investing or financing transactions occurred during the year ended 30 June 2015.

26. FINANCIAL RISK MANAGEMENT

The Cape Lambert Group is exposed to a variety of financial risks including market risk (currency risk and interest rate risk), credit risk and liquidity risk. The Cape Lambert Group's overall risk management program focuses on the unpredictability of financial markets and seeks to meet its financial targets whilst minimising potential adverse effects on financial performance. The Cape Lambert Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and aging analysis for credit risk. Risk management is carried out by the Board.

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26. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Cape Lambert Group holds the following financial instruments:

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Financial assets:		
Cash and cash equivalents	9,033,714	20,490,719
Restricted cash	114,587	98,264
Trade and other receivables	2,484,339	56,382,143
Other financial assets	1,684,663	5,157,950
	13,317,303	82,129,076
Financial liabilities:		
Trade and other payables	3,724,738	7,071,630
	3,724,738	7,071,630

(a) Market Risk

(i) Foreign Currency Risk

The Cape Lambert Group operates internationally and is exposed to foreign exchange risk arising from commercial transactions. The Consolidated Entity converted assets and liabilities into the functional currency where balances were denominated in a currency other than the Australian dollars.

The Consolidated Entity also has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency.

As at 30 June 2015, the Consolidated Entity had the following exposure to foreign currency:

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Financial assets:		
Cash and cash equivalents - USD	\$73,022	\$433,741
Cash and cash equivalents - CFA	CFA9,739,013	CFA9,903,777
Cash and cash equivalents - SLL	SLL204,266,934	SLL209,831,250
Cash and cash equivalents - GNF	GNF18,133,015	GNF48,366,507

The Consolidated Entity recognised a foreign currency exchange profit for the year ended 30 June 2015 of \$74,958 (2014: \$11,167 loss) as a result of translating funds held in foreign currency to Australian dollars.

Movement of 10% in the foreign currency exchange rates as at 30 June 2015 would not have a material impact on the consolidated loss or equity.

Managements have set up a policy to monitor and measure this risk using sensitivity analysis and cash flow forecasting.

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26. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Cash Flow Interest Rate Risk

The Consolidated Entity's exposure to market interest rates relates primarily to the Consolidated Entity's cash and cash equivalents. The Consolidated Entity is exposed to movements in market interest rates on short term deposits.

At the reporting date, the Cape Lambert Group had the following variable rate cash and cash equivalents and restricted cash:

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Financial assets:		
Cash and cash equivalents	9,033,714	20,490,719
Restricted cash	114,587	98,264
	9,148,301	20,588,983
Weighted average interest rate	2.77%	2.85%

Movement of 50 basis points on the interest rate (considered a reasonably possible change) would not have a material impact on the consolidated loss or equity.

(iii) Price Risk

The Cape Lambert Group is exposed to equity securities price risk. This arises from investments held and classified on the statement of financial position as at fair value through profit or loss. The Cape Lambert Group is not exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, the Cape Lambert Group diversifies its portfolio which is done in accordance with the limits set by the Board of Directors.

The majority of the Cape Lambert Group's equity investments are publicly traded on the Australian Stock Exchange (ASX).

A movement of 10% in the fair value of financial assets at fair value through profit and loss (considered a reasonably possible change) on the Cape Lambert Group's post tax loss for the year and on equity would not have been material.

(b) Credit Risk

Credit risk is managed on a consolidated basis. Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Cape Lambert Group. The Cape Lambert Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit risk on financial assets, excluding investments, of the Cape Lambert Group, which have been recognised on the statement of financial position, is the carrying amount, net of any provision for doubtful debts.

The Cape Lambert Group is exposed to credit risk as a result of subscribing to loan notes and convertible loan notes issued by listed and unlisted entities. This credit risk is managed by obtaining adequate security over the loans, generally in the form of a fixed and floating charge over the assets of the borrower. Details of the loan notes and convertible loan notes to which the Cape Lambert Group had subscribed during the year are listed in note 8.

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26. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company holds 95% (2014: 98%) of its cash and cash equivalents with banks with a Moody's credit rating on Aa2.

	Year ended 30 June 2015	Year ended 30 June 2014
Financial assets:	\$	\$
Cash and cash equivalents and restricted cash	9,148,301	20,588,983
Loans and receivables	2,484,339	56,382,143
Other financial assets	1,684,663	5,157,950
	13,317,303	82,129,076

(c) Liquidity Risk

The Cape Lambert Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows in relation to its operational, investing and financing activities.

At the reporting date, the Cape Lambert Group had no financing arrangements in place.

All financial liabilities are current and expected to settle within six months.

(d) Fair Value Estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values as the carrying value less impairment provision of trade receivables / other receivables and payables are assumed to approximate their fair values due to their short-term nature.

AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Consolidated Entity's assets measured at fair value at 30 June 2015.

	Level 1	Level 2	Total
	\$	\$	\$
Financial assets:			
Financial assets at Fair value through Profit and Loss			
Shares in listed entities	1,515,864	-	1,515,864
	1,515,864	-	1,515,864

The following table presents the Consolidated Entity's assets measured at fair value at 30 June 2014.

	Level 1	Level 2	Total
	\$	\$	\$
Financial assets:			
Financial assets at Fair value through Profit and Loss			
Shares in listed entities	2,071,281	-	2,071,281
	2,071,281	-	2,071,281

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27. PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information

The individual financial statements of the parent entity show the following aggregate amounts:

	Year ended 30 June 2015 \$	Year ended 30 June 2014 \$
Statement of financial position		
Current assets	9,688,714	321,275,860
Total assets	90,590,962	429,708,002
Current liabilities	(2,911,382)	(251,893,915)
Total liabilities	(84,052,330)	(272,447,143)
Shareholders' equity		
Issued capital	189,786,328	190,685,853
Reserves	1,471,034	1,364,087
Retained earnings	(184,718,730)	(34,789,081)
Total equity	<u>6,538,632</u>	<u>157,260,859</u>
Net profit / (loss) for the year	(137,395,917)	11,977,363
Total comprehensive income / (loss)	(137,395,917)	11,977,363

(b) Guarantees entered into by the parent entity

Carrying amount included in current liabilities - -

The parent entity has provided financial guarantees in respect of environmental performance bonds for subsidiaries during the current year amounting to nil (2014: nil).

(c) Tax Consolidation

The Company and its 100% owned controlled entities have formed a tax consolidated group. Members of the Cape Lambert Group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned controlled entities on a pro-rata basis. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At balance date, the possibility of default is remote. The head entity of the tax consolidated group is Cape Lambert Resources Limited.

Tax Effect Accounting by Members of the Tax Consolidated Group

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. Deferred taxes are allocated to members of the tax consolidated group in accordance with a group allocation approach which is consistent with the principles of AASB 112 Income Taxes. The allocation of tax under the tax funding agreement is recognised as an increase/decrease in the controlled entities' intercompany accounts with the tax consolidated group head Company, Cape Lambert Resources Limited. In this regard the Company has assumed the benefit of tax losses from controlled entities of \$686,600 (2014: \$746,322) as of the balance date. The Company has received a payment from the controlled entities of nil (2014: Nil) as of the balance date in respect of the current year tax liability for the tax consolidated group. The nature of the tax funding agreement is such that no tax consolidation contributions by or distributions to equity participants are required.

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Cape Lambert Resources Limited, I state that:

1. In the opinion of the directors:
 - (a) the financial statements and notes of Cape Lambert Resources Limited for the financial year ended 30 June 2015 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Consolidated Entity as at 30 June 2015 and of its performance, for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (iii) complying with International Financial Reporting Standards as disclosed in note 2.
 - (b) Subject to the matters set out in note 2.2 there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the year ended 30 June 2015.

Signed in accordance with a resolution of the Directors:



Tony Sage
Director

Perth, 18 September 2015

Independent auditor's report to the members of Cape Lambert Resources Limited

Report on the financial report

We have audited the accompanying financial report of Cape Lambert Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

- a) the financial report of Cape Lambert Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*
- b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2.2 in the financial report, which describes the principal conditions that raise doubt about the consolidated entity's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Cape Lambert Resources Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



G H Meyerowitz
Partner
Perth
18 September 2015

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ADDITIONAL STOCK EXCHANGE INFORMATION

Cape Lambert Resources Limited is a listed public company, incorporated in Australia.

The Company's registered and principal place of business is 32 Harrogate Street, West Leederville, Western Australia 6007 Australia.

Shareholding

The distribution of members and their holdings of equity securities in the Company as at 31 August 2015 are as follows:

Category (size of holding)	Total Holders	Number of Units
1- 1,000	191	82,218
1,001- 5,000	1,128	3,548,670
5,001- 10,000	903	7,680,671
10,001- 100,000	2,054	79,902,591
100,001 – 999,999,999	589	535,472,436
Total	4,865	626,686,586

Equity Securities

As at 31 August 2015, there were 4,865 shareholders, holding 626,686,586 fully paid ordinary shares.

All issued ordinary shares carry one vote per share and are entitled to dividends.

The number of shareholders holding less than a marketable parcel of shares is 3,024.

Options

The Company currently has 9,425,000 unlisted options of which 500,000 options are exercisable at \$0.15 each on or before 30 September 2015 on issue and 8,925,000 options are exercisable at \$0.088 each on or before 18 December 2016.

Voting Rights

In accordance with the Company's constitution, on show of hands every member present in person or by proxy or attorney or duly authorised representative had one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held. Options do not carry a right to vote.

Substantial Holders

The names of the substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act* are as follows:

	Fully paid ordinary shareholders	Number as per the Notice	% held of Issued Capital at the time of Notice
1	African Minerals Limited	116,08,628	18.64
2	Antony William Paul Sage <Egas Super Fund A/C>	72,766,681	11.61
3	Citicorp Nominees Pty Limited	32,984,182	5.26

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ADDITIONAL STOCK EXCHANGE INFORMATION

Twenty Largest Shareholders

The names of the twenty largest fully paid ordinary shareholders as at 31 August 2015 are as follows:

	Name	Number of Fully Paid Ordinary Shares Held	% held of Issued Capital
1	African Minerals Limited	116,808,628	18.64
2	Antony William Paul Sage <Egas Super Fund A/C>	40,440,430	6.45
3	Citicorp Nominees Pty Limited	32,984,182	5.26
4	Antony William Paul Sage <Egas Super Fund A/C>	31,878,523	5.09
5	HSBC Custody Nominees (Australia) Limited	20,640,097	3.29
6	Keong Lim Pty Limited <SK Lim Family A/C>	14,804,487	2.36
7	JP Morgan Nominees Australia Limited	9,397,826	1.50
8	CS Fourth Nominees Pty Ltd	7,867,197	1.26
9	ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian Account>	5,661,082	0.90
10	Fred Parrish Investments Pty Ltd <Parrish Family A/C>	5,303,535	0.85
11	Ganbaru Pty Ltd <The Parrish Super Fund A/C>	5,269,465	0.84
12	Mr John Finlay McKenzie Rowley	3,059,224	0.49
13	Mrs Tew Hua Cameron	3,000,000	0.48
14	Dale Estates Pty Ltd <Dale Superannuation A/C>	3,000,000	0.48
15	Elstree Holdings Pty Ltd <The Dale Investment A/C>	3,000,000	0.48
16	Optical & Hearing Pty Ltd	3,000,000	0.48
17	Okewood Pty Ltd	2,925,000	0.47
18	Mr George Chien Hsun Lu + Mrs Jenny Chin Pao Lu	2,740,000	0.44
19	Comsec Nominees Pty Limited	2,676,157	0.43
20	Mr Mark John Bahen + Mrs Margaret Patricia Bahen <MJ Bahen Super Fun A/C>	2,500,000	0.40
		316,955,833	50.58

CAPE LAMBERT RESOURCES LIMITED
ABN 71 095 047 920
AND ITS CONTROLLED ENTITIES

ANNUAL REPORT
For the Year Ended 30 June 2015

ADDITIONAL STOCK EXCHANGE INFORMATION

Schedule of Mineral Tenements Held at Balance Sheet Date

Tenement	Locality	Tenement Name
EPM 17449	Queensland	Wee MacGregor
EPM 17907	Queensland	Wee MacGregor
EPM 17910	Queensland	Wee MacGregor
ML 90098	Queensland	Wee MacGregor
ML 2504	Queensland	Wee MacGregor
ML 2771	Queensland	Wee MacGregor
ML 2773	Queensland	Wee MacGregor
A2013-110-DIGM_CPDM	Guinea	Sandenia
EL08/2012	Sierra Leone	Yaya
EL09/2012	Sierra Leone	Kukuna South
EL11/2011	Sierra Leone	Gbahama
EL13/2011	Sierra Leone	Gbinti
EL15/2011	Sierra Leone	Lankono
EL16/2011	Sierra Leone	Makonkari
EL17/2011	Sierra Leone	Karina
EL18/2011	Sierra Leone	Kukuna North
EL19/2011	Sierra Leone	Lankona North
EL20/2011	Sierra Leone	Marampa East
EL21/2011	Sierra Leone	Mawanka
EL22/2011	Sierra Leone	Kambia East
EL23/2011	Sierra Leone	Magbosi
EL24/2011	Sierra Leone	Gbangbama
EL25/2011	Sierra Leone	Gbinti West
EL22/2012	Sierra Leone	Kukuna
EL46A/2011	Sierra Leone	Marampa
EL46B/2011	Sierra Leone	Marampa
EL284	Cote D'Ivoire	Katiola
EL285	Cote D'Ivoire	Boundiali North
EL286	Cote D'Ivoire	Bouake