

Cape Lambert to raise \$4m in fully underwritten placement at a 300% premium

Cape Lambert Resources Limited (ASX: CFE) is a fully funded mineral development company with exposure to iron ore, copper, gold, uranium, manganese, lithium and lead-silver-zinc assets in Australia, Europe, Africa and South America.

Australian Securities Exchange

Code: CFE

Ordinary shares
626,686,586

Unlisted Options
7,675,000 (\$0.088 exp 18 Dec 2016)

Board of Directors

Tony Sage
Executive Chairman

Tim Turner
Non-executive Director

Jason Brewer
Non-executive Director

Melissa Chapman
Company Secretary

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Cape Lambert Resources Limited (ASX: CFE) (Cape Lambert or the Company) is pleased to announce that it has agreed terms to raise \$4m via a fully underwritten placement (Placement) to UK and European sophisticated investors.

Under the terms of the Placement, CFE will offer approximately 94m shares at 4.25c per share, a 300% premium to last closing price. The underwriting agreement is executed and the Placement is scheduled to be finalised within 30 days.

The Placement will be the first capital raising the Company has undertaken since 2005, and is being conducted to enhance working capital to sufficient levels for maintenance of the Company's portfolio of assets and address other circumstances that gave rise to the emphasis of matter in the Company's 2015 Annual Report, during a time of uncertain market conditions. Simultaneously the Company continues to monitor and seek costs savings and opportunities to sell non-core assets.

"We are proud of the fact we have not raised new capital since 2005, and during that same period returned over \$250m of value to shareholders via dividends, capital returns, in specie distributions and share buy-backs, but in these tough market conditions its important that when we can we maintain flexibility to invest in our current asset portfolio to maintain and enhance value. The underwriting of the placement at a huge premium shows support for, and belief in the Company's assets and management," said Cape Lambert Chairman, Mr Tony Sage.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman