ASX Announcement
27 January 2015

First Royalty Proceeds Received from Timis Mining

Australian resource and investment company, Cape Lambert Resources Limited (**ASX:CFE**) (**Cape Lambert** or the **Company**) is pleased to announce it has received its first royalty payment from Timis Mining Corporation SL Limited and Timis Mining Corporation Limited (collectively **Timis Mining**).

A royalty payment of approximately A$400k was received for the first shipment of iron concentrate in December 2014 from the Marampa Iron Ore Mine (**Mine**) following the acquisition of the Mine by Timis Mining from the administrators of London Mining Plc in November 2014.

As previously announced (refer ASX announcements dated 22 October 2014 and 5 November 2014), Cape Lambert entered into a US$20 million funding agreement with Timis Mining (**Agreement)** to assist it with the acquisition of the Mine. The Agreement was divided into two parts, being:

(a) US$8 million bridging loan; and
(b) US$12 million for 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. The Royalty is 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.

Commenting on the first royalty payment, Cape Lambert's Executive Chairman Tony Sage said "Our first royalty from Timis Mining represents a significant milestone. The Timis Mining Marampa Mine is planning to produce and sell 5.9 million tonnes of iron concentrate in 2015, which means a potential royalty income stream to Cape Lambert of $12 million for this year. The next royalty payment due to Cape Lambert is for the March 2015 quarter and forecasted to be approximately $3 million and will be received in April."

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

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
500,000 ($0.15 exp 30 Sept 2015)
9,225,000 ($0.088 exp 18 Dec 2016)

Board of Directors
Tony Sage
Executive Chairman

Tim Turner
Non-executive Director

Jason Brewer
Non-executive Director

Ross Levin
Non-executive Director

Melissa Chapman
Company Secretary

Key Projects and Interests
Marampa Iron Ore Project
Pinnacle Group Assets

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