

Cape Lambert Resources Limited

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Cape Lambert Resources receives \$7.5 million funds boost, puts cobalt tailings project on fast-track

Cape Lambert Resources Limited (ASX:CFE) has put the Kipushi Cobalt-Copper Tailings Project in the Democratic Republic of Congo (DRC) on a fast-track to development after executing a \$7.5 million finance facility.

The facility with MEF I LP (Magna) allows Cape Lambert to ensure the development is funded whilst retaining flexibility with negotiations for an offtake or strategic partner which may result in alternative funding.

READ: Cape Lambert Resources prepares for critical news flow from Kipushi

Chairman Tony Sage welcomed the significant finance boost, stressing that "a huge advantage of this funding is that all converted shares will not be sold on the ASX".

He said: "Securing the funding provides the company an opportunity to fast-track the development of Kipushi.

"The funding allows us to continue development whilst still negotiating with potential strategic partners."

Key recent developments

This \$7.5 million facility with Magna follows a number of recent key developments for the Kipushi project.

These include completion of the engineering study by Minново Pty Ltd, awarding of leach residue storage facility design work, tendering of the major equipment package, concrete works tendering and the start of a major drilling campaign.

READ: Cape Lambert Resources highlights value in tailings pipeline

The facility involves the issue of convertible securities in Cape Lambert.

An initial \$750,000 is available for drawdown within five days and a further \$750,000 will be available for drawdown pending Magna's ability to trade the CFE shares on the Frankfurt exchange.

Milestone tranche payments

A further \$6 million is available in three further tranches upon Cape Lambert meeting key milestones relating to the Kipushi project.

Tranche 3 would see \$2 million paid on publication of a maiden JORC-compliant resource at the project.

Price: \$0.01

Market Cap: \$6.35 m

1 Year Share Price Graph



September 2018 May 2019 September 2019

Share Information

Code: CFE

Listing: ASX

52 week	High	Low
	0.027	0.005

Sector: Mining

Website: www.capelam.com.au

Company Synopsis:

Cape Lambert Resources Ltd (ASX:CFE) is an exploration and development company with interests in a geographically diverse portfolio of mineral assets and investments.

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The fourth tranche involves payment of a further \$2 million on completion of a pre-feasibility study for a 1 million tonnes per annum leach/extraction plant at Kipushi.

A further \$2 million is encapsulated in tranche 5, which at this stage has no specific milestone associated with it.

READ: Cape Lambert completes 157 drill holes at cobalt and copper projects

The project involves reprocessing of cobalt-copper tailings contained in the large Kipushi Tailings Storage Facility.

Assays from a 47-hole, 432-metre drilling program completed in early October 2018 are imminent and once these are received, work will start on preparing a JORC-compliant resource estimate.

After this milestone, Sage said the company intended to "build a leaching plant at the location where the electricity is and aims to be in production within 12 months of starting to build that plant".

The tailings dam extends for a kilometre, is more than 400-metres wide and up to 15 metres deep in areas.

Low production costs

Cape Lambert expects relatively low costs of production with Sage saying in late October, "The operating costs are reduced as there is no requirement for crushing or grinding.

"It is basically reprocessing the tailings in a very simple process. It is easy to build the plant, the technology is already there — it's now just a matter of quantifying the resource, which will then be used to help attract funding."

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