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Cape Lambert settles tax dispute

Matt Mckenzie 01-Aug-2014 11:36am



Cape Lambert's ship loader in Pepel, Sierra Leone.



Cape Lambert Resources has reached a settlement with the Australian Taxation Office regarding its \$96 million tax dispute, agreeing to make a final net payment of \$2.4 million.

The payment comes on top of the \$33 million paid to the ATO in 2012.

The company says the remaining liability and interest of \$79 million has been discharged by the final payment.

Cape Lambert says it now holds no debt or contingent liabilities, with cash, receivables and listed securities of \$94 million.

It is also in the process of finalising a shareholder distribution.

Executive chairman [Tony Sage](#) said the company was pleased to bring the matter to a satisfactory resolution.

"With this now resolved Cape Lambert intends to shift its management focus to the Marampa iron ore project in Sierra Leone, where it is looking to secure significant investment at project level, and its interest in the Mayoko iron ore project royalty, which it is looking to sell," he said.

"The Cape Lambert board, with the potential \$A79 million in liabilities removed from its balance sheet and its cash position now certain, will meet in the coming days to finalise plans for a distribution to shareholders, details of which will be announced in the next week.

"The company will be looking to capitalise on funding pressures within the resources sector through the evaluation and advancement of suitable investment opportunities that have been presented to it in recent months.

"The company will also continue with its share buy-back which commenced earlier in the year."

In July, Cape Lambert announced it had reached an agreement with the [Metallurgical Corporation of China](#) for a \$51.6 million settlement after a six-year dispute regarding the sale of a Pilbara mine.

Meanwhile, Cape Lambert today revealed that substantial shareholder, the [Capital Group of Companies](#), had lowered its stake from 9.2 to 8.2 per cent.

The Capital Group is a Los Angeles based investment manager that claims to have more than a trillion dollars of assets under management.