

## **Cape Lambert appoints Patersons Securities as Lead Manager for Lady Annie Initial Public Offering (“IPO”)**

### **Key points:**

- **Patersons Securities appointed Lead Manager to facilitate an IPO of Lady Annie copper asset in QLD,**
- **Trade sale process still continuing as divestment of the restructured Lady Annie project considered true to Cape Lambert’s incubation and value add strategy,**
- **Detailed evaluation of asset by Patersons has suggested excellent investment opportunity for new incoming investors while achieving expected solid return for Cape Lambert, and**
- **Cape Lambert (or its shareholders) to retain between 5% - 10% of new company.**

Australian resources company, Cape Lambert Iron Ore Limited (**ASX: CFE**) (the “Company” or “Cape Lambert”) has appointed Patersons Securities Limited to act as Lead Manager in the proposed divestment, via an IPO, of its 100% owned Lady Annie Copper Project (“Lady Annie”) in Northern Queensland.

Cape Lambert acquired Lady Annie as part of a transaction earlier this year that saw the Company acquire the assets of CopperCo Limited (CopperCo) from the receivers and managers appointed by the CopperCo group (see ASX announcement 7 May 2009).

“When we completed the CopperCo transaction we said we would be reviewing all assets and disposing of those that were non-core to our strategy of incubation, adding value and divestment,” said Cape Lambert Chairman Mr Tony Sage.

“Lady Annie is an excellent copper project, currently capable of producing circa 25,000 tonnes of copper cathode per year with large exploration upside through 1,855km granted tenements.

“We have utilised our Cape Lambert technical team to remove any contracts that were inefficient to the operation and are in the process of securing excellent new management,” Mr Sage added.

The board of Cape Lambert believes the IPO of Lady Annie will not only offer new investors an attractive investment opportunity, being one of only four ASX listed companies offering pure exposure to the copper price, but it will also deliver an excellent return to Cape Lambert and its shareholders

“We believe the divestment of Lady Annie represents an excellent opportunity to further illustrate that we are sticking to our strategy,” Mr Sage added.

Cape Lambert is an Australian domiciled, mineral investment company. Its current investment portfolio is geographically diverse and consists of mineral assets and interests in mining and exploration companies.

The Company continues to focus on investment in early stage resource projects and companies, primarily in iron ore, copper and gold. Its “hands on” approach is geared to add value and position assets for development and/or sale.

The Board and management exhibit a strong track record of delivering shareholder value.

### **Australian Securities Exchange Code: CFE**

Ordinary shares  
523,797,213 million

Unlisted options (30 June 2010)  
8,350,000 million

Unlisted options (31 Oct 2010)  
28,000,000 million

### **Board of Directors**

Tony Sage Executive Chairman  
Tim Turner Non-executive Director  
Brian Maher Non-executive Director

Eloise von Puttkammer  
Company Secretary

### **Key Projects and Interests**

Lady Annie Copper Project  
Sappes Gold Project  
DMC Mining Limited  
Corvette Resources Limited

### **Cape Lambert Contact**

Tony Sage  
Executive Chairman  
Phone: +61 (0)8 9380 9555

[www.capelam.com.au](http://www.capelam.com.au)

### **Australian Enquiries**

Professional Public Relations  
David Tasker  
Phone: +61 8 9388 0944  
Mobile: +61 433 112 936  
Email: [david.tasker@ppr.com.au](mailto:david.tasker@ppr.com.au)

### **UK Enquiries**

Conduit Public Relations  
Jos Simpson  
Phone: +44 (0)20 7429 6603  
Mobile: +44 (0)7899 870 450

“Using the proceeds of \$320 million from the sale of Cape Lambert North to MCC we have made a number of strategic investments that have already begun to add further value to Cape Lambert. Lady Annie can be returned to the market unencumbered and attractively priced while still achieving our own internal valuation metrics.

“Patersons are the market leaders in the mid-cap mining and resources sector and we are very pleased with the recent work they have undertaken for Cape Lambert.”

It is proposed that the Lady Annie assets will be “spun out” into a new ASX listed vehicle with a minimum of 5% of the ordinary shares on issue of the new company either kept within Cape Lambert or allocated through an in-specie distribution to all existing Cape Lambert shareholders as part of the IPO process.

In unison with the proposed IPO opportunity the Company is continuing the trade sale process of Lady Annie. In recent months Cape Lambert has established a data room and in recent weeks has hosted seven (7) individual groups to site.

While the company is progressing discussion with these parties the company can make no guarantee that these may or may not lead to an offer being made for the asset. The market will be kept fully informed of the status of these discussions at all times.

Yours faithfully  
Cape Lambert Iron Ore Limited

Tony Sage  
**Executive Chairman**