

Not for release or distribution in the United States

Letter to Shareholders Q Copper Australia Limited

The Company would like to advise that current shareholders of Cape Lambert Resources Limited will receive information regarding the Initial Public Offering of Q Copper Australia Limited.

The attached letter is an example of the information that will be received by all registered shareholders (excluding holders in the United States or elsewhere outside Australia) shortly.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

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
536,619,804

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

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

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

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Dear fellow Shareholder,

At a meeting of Shareholders on 16 November 2009 overwhelming support was given to Cape Lambert Resources Limited's ("Cape Lambert") plans to divest its interest in the Lady Annie Project in Northern Queensland ("Lady Annie Project") by way of an Initial Public Offering ("IPO") of Q Copper Australia Limited ("Q Copper").

With shareholder approval received, the Prospectus for the IPO of Q Copper was lodged with ASIC on 16 November 2009, and is now open to the public in Australia. It can be downloaded by residents of Australia from www.qcopper.com.au. Alternatively, you can call Mr Philippe Francois on (08) 9211 0600 to request a copy of the Prospectus to be mailed to you.

As detailed in the Prospectus, Q Copper is seeking to raise up to A\$214 million (before costs) through the issue of up to 214 million shares at an issue price of A\$1 each.

Patersons Securities Limited is Lead Manager to the IPO and has, together with representatives of Q Copper, commenced an international road show.

The Board of Q Copper has extensive experience in the development of resources projects in Australia. Hon. John Moore AO has been appointed Non-Executive Chairman, with highly experienced copper mining executive Mr Peter Mulroney appointed inaugural Managing Director and Chief Executive Officer. Mr Joe Ariti and Mr Marcello Cardaci are the remaining Q Copper Board members. Both are non-executive directors.

The strategic objectives of Q Copper, following successful completion of the Offer, are to:

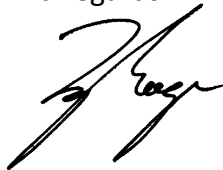
- Become a profitable Australian copper producer;
- Recommence mining operations at the Lady Annie Project by July 2010 and ramp up to a target annualised copper production rate of 20,000 tonnes for the remainder of 2010 and then increase production to 25,000 tonnes per annum during 2011; and
- Extend mine life to a minimum of seven years at the Lady Annie Project by systematic exploration.

The Lady Annie Project is an established open pit, oxide copper mine utilising heap leach, and solvent extraction and electrowinning technology to produce London Metal Exchange Grade A copper cathodes. It has been on care and maintenance since February 2009.

The board of Cape Lambert is pleased to be maintaining an equity holding in Q Copper, of between 5% and 10%, as it believes that upon successful completion of the IPO, Q Copper will be one of only a small number of pure copper mining companies that has no bank debt, strong cash reserves and a highly experienced management team focussed on both the exploration and mining potential of the asset, and growing the business.

Should you wish to join us in becoming shareholders in Q Copper we strongly suggest you access a copy of the Prospectus and return a completed application form (which is attached to or accompanied by the Prospectus) to Q Copper's Share Registry (as detailed in the Prospectus) prior to 2 December 2009, when the offer is scheduled to close. You should consider the Prospectus in its entirety before deciding whether to subscribe for shares pursuant to the Prospectus.

Kind regards

A handwritten signature in black ink, appearing to read 'Tony Sage', with a stylized flourish at the end.

Mr Tony Sage
Executive Chairman
Cape Lambert Resources Limited

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