

UPGRADE OF MARAMPA RAIL & PORT INFRASTRUCTURE PROPOSED TO COMMENCE

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
565,166,467

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
Marampa Iron Ore Project
Sappes Gold Project
DMC Mining Limited
Corvette Resources Limited

Cape Lambert Contact

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Key Points:

- **African Minerals signs conditional strategic agreement with a large Chinese corporation,**
- **Consequently, upgrade of Marampa rail and port infrastructure proposed to commence,**
- **Marampa Project is connected to the deep water port, stockpiling and ship loading facility located at Pepel via the 84km Pepel to Lunsar railway,**
- **Cape Lambert has access rights to the rail and port infrastructure on commercial terms to be agreed.**

Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) ("Cape Lambert" or the "Company") currently owns 63% of the Marampa iron ore project ("Marampa Project"), located in Sierra Leone, West Africa.

The Company is proposing to acquire the remaining 37% of the Marampa Project, which is subject to Cape Lambert shareholder approval at a general meeting of shareholders scheduled for 25 January 2010 (refer ASX release dated 23 December 2009).

Cape Lambert notes an announcement made by AIM listed African Minerals Ltd (AIM: AMI) ("African Minerals") on 6 January 2010 whereby it has signed a conditional strategic agreement with China Railway Materials Commercial Corporation ("CRM") ("Agreement") in respect of its 5.1 billion tonne Tonkolili iron ore project, located approximately 100km north-northeast of the Marampa Project.

The Agreement provides for, amongst other things, an investment by CRM of £152.6 million in new shares in African Minerals and off take agreements for hematite and magnetite production from Tonkolili. Following from this investment, and as part of its Stage 1 development of Tonkolili, African Minerals intends to upgrade both the Pepel port and Pepel to Lunsar railway, including auxiliaries required for operation ("Infrastructure Facilities").

Pursuant to Cape Lambert's investment in the Marampa Project, the Company has access rights to the Infrastructure Facilities on commercial terms to be agreed. The Marampa Project is connected to the deep water

port, stockpiling and ship loading facility located at Pepel via the 84km Pepel to Lunsar railway.

Cape Lambert Executive Chairman, Mr Tony Sage said “the return to operations of the Pepel port and Marampa railway ideally positions Cape Lambert to extract full value for our Marampa investment”.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

African Minerals Ltd AIM announcement can be found on the London Stock Exchange website at the following link:

<http://www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-detail.html?announcementId=10332174>