ASX Announcement
20 January 2010

AFRICAN URANIUM EXPLORATION YIELDS PROMISING RESULTS IN LINE WITH EXPECTATIONS

Key Points:

- **Exploration drilling by Africa Uranium Limited in Namibia identifies extensive calcrete hosted uranium mineralisation proximal to the Langer Heinrich uranium mine,**
- **Drilling has confirmed existence of shallow calcrete hosted uranium mineralisation over a large area in the "Southern Basin,"**
- **Africa Uranium owns highly prospective uranium tenements in Namibia and exploration applications in South Africa, and**
- **Cape Lambert has a 10% beneficial interest in Africa Uranium Limited.**

Australian resources and investment company, Cape Lambert Iron Ore Limited (**ASX: CFE**) ("Cape Lambert" or the "Company") is pleased to advise that recently completed drilling at the Hoasib project in Namibia tenements by private company Africa Uranium Limited ("Africa Uranium") has yielded promising results in line with expectations.

Africa Uranium has uranium exploration projects in Namibia and South Africa, with its flagship project being the Hoasib project located in Namibia (refer Figure 1). The Hoasib project area is covered by mineral lease EPL 3664, owned by Green Minerals Resources Pty Ltd, which is a joint venture between the Bastos Foundation (30%) and Africa Uranium (70%).

Cape Lambert, via its 100% owned subsidiary Dempsey Resources Pty Ltd ("Dempsey"), has obtained a 10% beneficial interest through a Convertible Note issued in 2009 (see ASX announcement released 28 August 2009).

In late 2009 Africa Uranium completed two drilling programs on the Hoasib Project, confirming the existence of shallow calcrete hosted uranium mineralisation over a large area in the "Southern Basin". Wide-spaced drilling (predominantly 1,000 m by 500 m) has defined low grade uranium in calcrete over an area of 4 km by 1.5 km, which appears open along strike (Figure 2). In erosional channels visible uranium (carnotite mineral) has been identified over approximately 8 km strike within the Southern Basin.

Results of greater than 100 ppm U_3O_8 and eU_3O_8[(1)] identify up to two consistent mineralised horizons within the top 11 metres of alluvial material from surface, with the upper horizon exposed by creek beds in places. The best results received to date include **308 eU_3O_8**[(1)] over 0.10 m from the down-hole gamma probe and **181 U_3O_8**[(2)] over 0.5 m in physical sample.

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

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Mr Tony Sage, Executive Chairman of Cape Lambert, believes the commencement of exploration activities at Hoasib has not only yielded results in line with expectations but given the company and investors and insight into the potential of the project.

“Africa Uranium has defined the broad outline of one area of mineralisation in the Southern Basin, however the reconnaissance drilling is widely spaced and we believe any higher-grade mineralised channels will be individually less than 50 metres wide,” Mr Sage said.

“There are more areas to explore in the Southern Basin, plus two more untested alluvial basins to the north, not to mention the possibility of hard-rock uranium mineralisation,” Mr Sage added.

Africa Uranium proposes to continue reconnaissance exploration, to fully test and define other targets, before committing to detailed exploration in any one area.

About Africa Uranium

Africa Uranium is a privately owned Perth based company that has uranium exploration projects in Namibia and South Africa. Its flagship project is the Hoasib Project in Namibia (Figure 1), which is owned by Green Minerals Resources Pty Ltd, a joint venture between the Bastos Foundation (30%) and Africa Uranium (70%).

The Hoasib Project is only 40 km from the Langer Heinrich uranium mine, owned by Paladin Resources. Exploration by Africa Uranium has been focused on identifying a large tonnage - low grade calcrete hosted uranium deposit, similar to Langer Henirch (Paladin) and Trekkopje (Areva).

At a bottom cut-off of 100 ppm U_3O_8, better drilling results to date include:-

- HAC009 0.5m @ 181 U_3O_8[(2)] from 10m
- HMB017 1.0m @ 157 U_3O_8[(2)] from 6m
- HMB017 2.0m @ 157 eU_3O_8[(1)] from 5.55m
- HMB017(b) 2.1m @ 146 eU_3O_8[(1)] from 5.71m
- HMB012 1.3m @ 112 eU_3O_8[(1)] from 4.33m
- HMB008(b) 2.4m @ 137 eU_3O_8[(1)] from 4.47m

In South Africa, Africa Uranium has four mineral leases in the Karoo Basin in the southwest of the country. The leases are in the Ryst Kuil and Riet Kuil channels of the basin; well known and prospective regions for sandstone hosted uranium-molybdenum mineralisation. These leases are held in the name of Makhaha Resources, which is a joint venture between Africa Uranium (74%) and a local Black Economic Empowerment group (26%).

Africa Uranium’s Karoo Basin Project contains drill defined uranium mineralisation from exploration completed from the 1960’s to early 1980’s. Africa Uranium is currently in the process of accessing historical data, re-testing open drill holes with a down-hole gamma probe and completing new validation drill holes. Results of this work are expected by the end of the first quarter of this year.
Yours faithfully

Cape Lambert Resources Limited

Tony Sage
Executive Chairman

Notes

Analytical Methods

The drilled uranium mineralisation has been tested using a number of methods including the physical chemical analysis(2) of samples by independent laboratories and down-hole geophysical probes(1) (gamma) operated and interpreted by qualified industry consultants/experts in Namibia and Australia.

(1) *equivalent U_3O_8 / eU_3O_8*

Selected drill holes were gamma logged by using a wireline borehole geophysical probe. The gamma tool measures the total gamma ray flux in the drill hole. Readings are averaged over 5 centimetre intervals and the reading and depth recorded on a portable computer. The gamma ray readings are converted to equivalent U3O8 (e U3O8) readings by using standardized calibration factors employed by a qualified consultant in Namibia. These factors also take into account differences in hole size and water content. This method of analysis is well tested and is currently being used for grade control purposes in uranium mining operations in Namibia.

The gamma radiation used to calculate the equivalent U3O8 is predominately from the daughter products in the uranium decay chain. When a deposit is in equilibrium, the measurement of the gamma radiation from the daughter products is representative of the uranium present. It takes approximately 2.4M years for the uranium decay series to reach equilibrium. Thus, it is possible that these daughter products, such as radium, may have moved away from the uranium or not yet have achieved equilibrium if the deposit is younger than 2.4M years. In these cases the measured gamma radiation will over or under estimate the amount of uranium present. Calcrete hosted uranium mineralisation may not be in equilibrium due to one of the above factors.

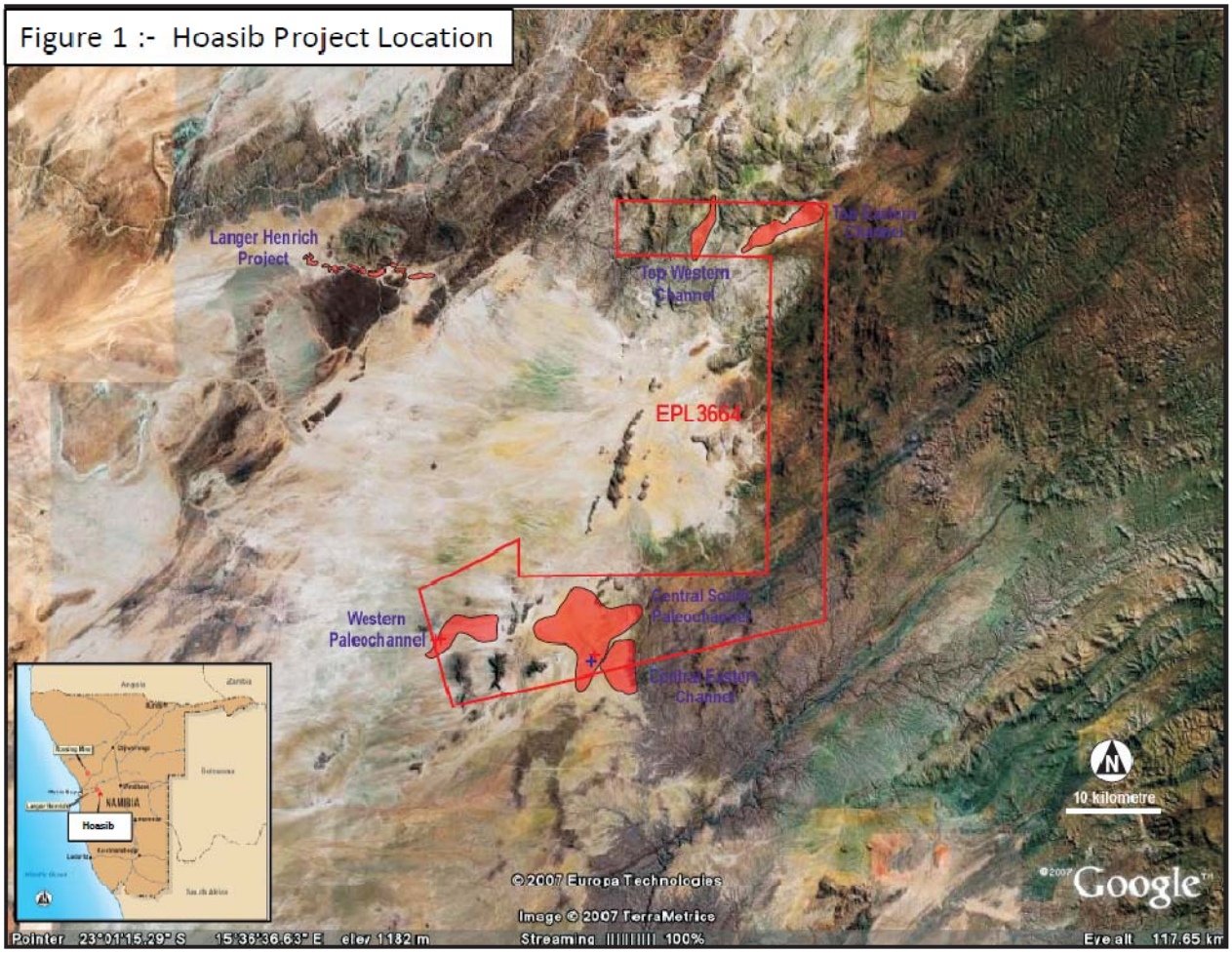
(2) *U_3O_8*

Selected drill samples were submitted for chemical analysis.

Lab – SGS South Africa (Pty) Ltd
Method XRF75G - Uranium Oxide, pressed powder (pressed pellet) analysis using XRF spectrometer.
Lower Detection Limit = 10ppm U3O8

Competent Person Statement

The information in this report to which this statement is attached that relates to Africa Uranium Limited's Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Brett Smith who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Smith is a technical consultant to Africa Uranium Limited and has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration. Mr Smith is undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Smith consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.



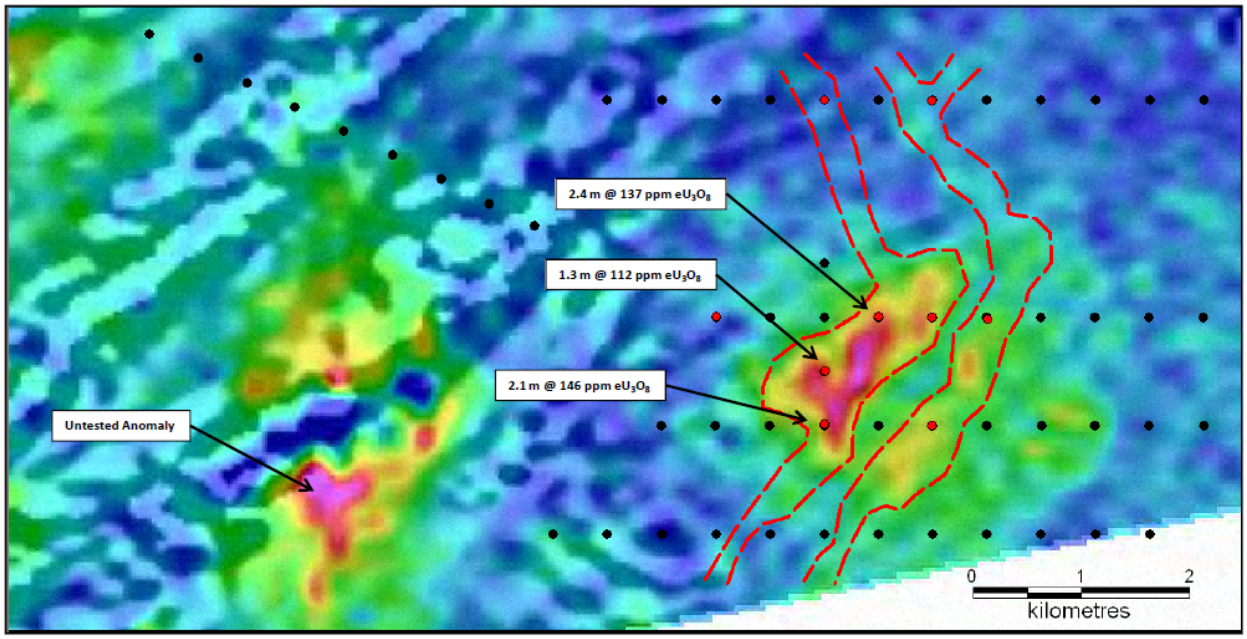


Figure 2:- Hoasib Project Southern Channel Anomaly - Drill hole locations on image of Uranium Radiometrics overlaying Aeromagnetics