

Not for release or distribution in the United States

Q COPPER IPO DEFERRED

Key Points:

- **Cape Lambert Resources Limited to withdraw the Q Copper initial public offering until market conditions are more favorable;**
- **Decision results from current adverse market conditions;**
- **Near mine extension, and regional exploration drilling to proceed as planned.**

Australian Resources and Investment Company, Cape Lambert Resources Limited (ASX: CFE) ("Cape Lambert" or the "Company") advises that it is withdrawing the Q Copper Australia Limited ("Q Copper") initial public offering ("IPO") at this time due to recent adverse market conditions.

The boards of Q Copper and Cape Lambert, together with the Lead Manager to the IPO, Patersons Securities Limited, having regard to global market uncertainty due to a variety of recent issues affecting both stockmarkets and in particular commodities markets, believe it is prudent to withdraw the IPO until market conditions improve.

In the interim, the Company intends to proceed with its planned exploration drilling program at the Lady Annie Project ("Lady Annie"), where the initial focus is on upgrading and adding to the defined resources at the Mt Kelly Mining Area and Anthill-Python prospects. The first reverse circulation drill rig remains on schedule to arrive at Lady Annie on or about 24 February 2010 (refer ASX release dated 14 January 2010 for full details of the drilling program).

The Company, Q Copper and Patersons wish to thank all investors for their support and commitment to the IPO. Application monies will be refunded to investors in the next few days.

Cape Lambert's Executive Chairman, Mr Tony Sage said "Whilst we are disappointed with the deterioration of the market in recent weeks, and its impact on the IPO, Lady Annie remains a very good copper project within a substantial landholding in the world class Mt Isa Inlier".

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

Tony Sage
Executive Chairman
Phone: +61 8 9380 9555

Australian Enquiries

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

UK Enquiries

Conduit Public Relations
Jos Simson
Phone: +44 (0)20 7429 6603
Mobile: +44 (0)7899 870 450
Email: Jos@conduitpr.com

He further added, "Whilst we wait for market conditions to improve, we will commence the drilling program as planned to add value to the project through defining additional mine life".

Yours faithfully,
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

This announcement has been prepared for publication in Australia and may not be released in the United States or elsewhere outside Australia. This announcement does not constitute an offer of securities for sale in the United States or any other jurisdiction. Any securities described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act of 1933 or an exemption from registration.