

A\$135M sale of Lady Annie Project on track China Sci-Tech receives FIRB approval

Key Points:

- **Cape Lambert has agreed to sell Lady Annie in Queensland, Australia, to China Sci-Tech for A\$135M,**
- **China Sci-Tech has completed its due diligence and paid a A\$5M deposit, with a further A\$125M to be paid on completion of Sale Agreement,**
- **Remaining A\$5M payable in two tranches on achievement of certain production and reserve milestones,**
- **A key condition of transaction was FIRB approval, which has now been received, and**
- **Cape Lambert intends to make A\$0.08 to A\$0.10 return to Shareholders following receipt of A\$125M.**

Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) ("Cape Lambert" or the "Company") wishes to advise that Hong Kong listed company China Sci-Tech Holdings Limited ("CST") has received written approval from the Foreign Investment Review Board ("FIRB") for its acquisition of a 100% interest in the Lady Annie Project ("Lady Annie") in Queensland, Australia.

Under the terms of the binding Share Sale Agreement ("SSA") announced to the ASX on 12 March 2010, Cape Lambert agreed to sell its 100% interest in Lady Annie to CST for a total consideration of A\$135M.

Completion of the sale is conditional on a number of matters including CST receiving FIRB and its shareholders' approval, and other regulatory approvals and third party consents.

"Given this acquisition is being funded from existing cash reserves, the key condition needed prior to settlement was FIRB approval, with that now received CST can move towards completion of the agreement," said Cape Lambert Resources Chairman, Mr Tony Sage.

"On completion of the agreement we will be in receipt of A\$130M, at which time we will be able to finalise our plans regarding a partially franked dividend to Shareholders".

"It is our intention to return between A\$0.08 and A\$0.10 per share to Shareholders once the sale completes and the A\$130 million cash is received," added Mr Sage.

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
597,759,256

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

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

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The proposed cash return to Shareholders would be the second by the Company in the in the past 18 months, with A\$100 million paid to Shareholders via a return of capital and special dividend in October 2008.

Following the sale of Lady Annie, Cape Lambert will still retain a number key assets acquired as part of the CopperCo Limited transaction, including a 25% interest in the high-grade Lady Loretta lead-zinc-silver project located near Lady Annie, the high-grade Sappes gold project located in Greece, the early definition Australis rock phosphate land package, and controlling interest in listed NiPlats Australia Limited (ASX: NIP), Corvette Resources Limited (ASX: CVX) and Fe Limited (ASX: FEL)

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

About China Sci-Tech Holdings Limited:

China Sci-Tech Holdings Limited ("CST") is incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited ("Hong Kong Exchange") (stock code: 985). The group's principal activity has been investing in financial instruments and property, and its head office is located in Hong Kong with operations conducted in the Peoples Republic of China, Hong Kong and Singapore.

In its Interim Report for the period ending 30 September 2009 filed with the Hong Kong Exchange, CST reported investments held for trading and cash of HK\$2.37 billion (approximately A\$340 million at HK\$7 to A\$) and working capital of HK\$2.36 billion (approximately A\$337 million).

In the past 12 months CST has diversified into the mining sector. In April 2009, CST acquired the Martabe gold and silver project, located in Indonesia, from OZ Minerals for approximately US\$211 million. On 2 March 2010, CST agreed to pay approximately C\$244 million to acquire Canadian mining company Chariot Resources Ltd, which owns 70% of the Marcona copper mine located in Peru.

Further information about CST can be found at www.csthk.com.