

Cape Lambert to benefit from upgrade of rail and port infrastructure at Marampa, and appoints independent, non-executive director

Key Points:

- **African Minerals to secure Chinese funding to underwrite Phase One hematite development at its Tonkolili project,**
- **As part of Phase One, African Minerals will upgrade Marampa rail and Pepel port infrastructure, with completion by 2011,**
- **Cape Lambert's Marampa project is connected to the deep water port, stockpiling and ship loading facility located at Pepel, via the 84km Marampa railway,**
- **Pursuant to the First Marampa Agreement, Cape Lambert has ownership and access rights to the rail and port infrastructure on commercial terms to be agreed,**
- **Cape Lambert is currently formalising the commercial terms of its ownership and access rights through the negotiation of a term sheet,**
- **Mr. Ross Levin appointed an independent, non-executive director with effect from 1 April 2010.**

Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) ("Cape Lambert" or the "Company") wishes to advise the market of the impact on its 100% owned Marampa iron ore project ("Marampa") of definitive agreements signed between AIM listed company African Minerals Limited (AIM: AMI) ("African Minerals") and China Railway Materials Commercial Corporation ("CRM") ("Agreements"), for the development of African Minerals' Tonkolili iron ore project ("Tonkolili"), both located in Sierra Leone, West Africa.

The signing of the Agreements will, in the Company's view, add significant value to Marampa, located approximately 100km south-southeast of Tonkolili, as a key aspect of the Agreements is the upgrade of the Pepel port and Marampa railway ("Pepel & Rail Infrastructure") by 2011.

As part of its Phase One development of Tonkolili, African Minerals is planning to upgrade both the Pepel port and Marampa railway, including auxiliaries required for operation, to enable up to 8 million tonnes per annum of hematite iron ore to be exported by 2011.

A full copy of the African Minerals' announcement can be found on the London Stock Exchange website under the code AMI.

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
Ross Levin 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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Pursuant to Cape Lambert's initial investment in Marampa and the First Marampa Agreement dated 1 October 2008, the Company has ownership and access rights to the Pepel & Rail Infrastructure on commercial terms to be agreed. The Company is currently finalising a commercial term sheet with African Minerals in respect of its ownership and access rights. Marampa is connected to the deep-water port, stockpiling and ship loading facility located at Pepel via the 84km Marampa railway.

Cape Lambert Executive Chairman, Mr. Tony Sage, believes the signing of the agreements between African Minerals and CRM will provide benefits to Cape Lambert and Marampa on a range of levels.

"The return to operation of the Pepel port and Marampa railway ideally positions Cape Lambert to extract full value for our Marampa investment," Mr. Sage said.

"Additionally, by having such a major Chinese group invest in Sierra Leone will continue to enhance that country's standing as a suitable investment destination for major Chinese groups," Mr Sage added.

Appointment of Independent, Non-Executive Director

Mr. Ross Levin has been appointed to the Board of Directors as an Independent, Non-Executive Director, effective 1 April 2010.

Mr. Levin holds degrees in both Law and Economics and has extensive experience with business sales and acquisitions, corporate restructuring and takeovers and is currently a senior partner in the commercial division of Rigby Cooke Lawyers, where he specialises in workplace relations in the mining, infrastructure and construction industries.

Commenting on the appointment, Cape Lambert's Executive Chairman Mr Tony Sage said "the additional board appointment will enable the Company to maintain an appropriate balance of executive and independent, non-executive directors in line with ASX's Corporate Governance Principles and Recommendations."

Yours faithfully,
Cape Lambert Resources Limited

Tony Sage
Executive Chairman