

SIGNIFICANT WIDTHS OF SHALLOW IRON ORE MINERALISATION INTERSECTED AT MATUKIA PROSPECT AT MARAMPA

Key Points:

- **First assay results received from diamond drilling at Matukia with significant intersections of specular hematite schist over 1.2km of strike including:**
 - **MPDD015: 132m at 34% Fe from 0m;**
 - **MPDD016: 81.2m at 36% Fe from 32.8m;**
 - **MPDD017: 98m at 33% Fe from 152m;**
- **Metallurgical response expected to be similar to Gafal West, where a concentrate of >60% Fe is produced with simple magnetic separation,**
- **Ground geophysical survey identifies 3 new targets north of Matukia enhancing the overall prospectivity of the field.**

Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) ("Cape Lambert" or the "Company") is pleased to announce the first assay results from a recently completed diamond drilling program at the Matukia prospect ("Matukia") comprising part of its 100% owned Marampa Iron Ore Project ("Marampa Project") located in Sierra Leone, West Africa (refer Figure 1).

Matukia is located immediately to the north and along strike of the historic Masaboin open pit, an iron ore mine operated by Sierra Leone Development Corporation until the late 1970's (refer Figure 2). Matukia is the second of 6 prospects (refer Figure 2) defined by surface exploration in 2009 to be subject to systematic drill testing.

Drilling

Diamond drilling commenced at Matukia in January 2010. The aim of the drilling program was to determine the structure, thickness and grade of hematite schist mineralisation, which outcrops over a strike of >1km. A total of five east-west sections spaced between 200m and 400m apart were drilled, with 2 or 3 holes on each section (refer Figure 3).

A total of 11 diamond drill holes have been completed at Matukia for a total of 2,698m, with assay results now received for the first 9 holes (refer Figure 3 and Table 1 for details).

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
625,759,256

Unlisted options (30 June 2010)
8,350,000

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

Lady Annie Copper Project
Marampa Iron Ore Project
Sappes Gold Project
DMC Mining Limited
Corvette Resources Limited

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Geology

All diamond drill holes with final assays received to date at Matukia have intersected medium to coarse-grained (0.5mm – 3mm) specular hematite hosted in quartz-albite-mica schist (“specular hematite schist”).

Specular hematite schist at Matukia has been intersected in up to 3 sub-vertically dipping limbs of tight folds over a strike length of 1.2km. There are 3 intersections in the south, reducing to one in the central and north parts of the prospect.

The specular hematite schist has been intersected from surface to a vertical depth of approximately 250m. Weathering extends from the surface to vertical depths of from 10 to 45m. A laterite cap from 2m to 5m thick is developed over the specular hematite schist.

Assay Results

Drill intersections of specular hematite schist vary in length from 39m to 132m at grades of 26% to 36% Fe. Assay results for the first 9 holes from Matukia are summarised in Table 1.

Exploration Potential

Diamond drilling at Matukia has now confirmed specular hematite mineralisation with significant widths and grades from surface to a depth of up to 250m over a strike length of 1.2km. Further drilling is required to test along strike to the north of Matukia where specular hematite schist has been recorded in old prospecting pits.

An exploration target size¹ from 60 to 80 million tonnes at 26% - 36% Fe is estimated for the Matukia prospect, which is only one of six prospects making up the project. This is based on interpretation and modelling of all available geological mapping, trenching and diamond drilling information.

Geophysics

A ground gravity geophysical survey was completed in February 2010 along prospective stratigraphy between Matukia and Makambo prospect (“Makambo”) (refer Figure 2). This survey identified three groups of gravity high anomalies located immediately south of Makambo under cover. Both the Matukia and Gafal West prospects are coincident with gravity high ridges (refer Figure 2). These new anomalies represent new exploration targets for hematite mineralisation and will be subject to reconnaissance in the June quarter 2010.

A trial survey using induced polarisation (“IP”) was carried out at Gafal West and Matukia in March 2010. This trial successfully identified conductive anomalies coincident with specular hematite schist at these prospects. The IP resistivity and chargeability successfully mapped specular hematite schist mineralisation beneath shallow cover, and provided more detailed resolution of boundaries and dips than other geophysical methods.

Further Work

Resource definition diamond drilling is now underway at the Gafal West prospect on 200m spaced sections, targeting near-surface hematite schist mineralisation identified by the previous drilling program completed in 2009 (refer ASX announcement dated 28 January 2010). This drilling will be completed in the June quarter 2010 and will be followed by scout drilling programs at Mafuri and Rotret prospects.

¹ *The estimates of exploration target sizes mentioned in this release should not be misunderstood or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there has been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.*

Resource definition drilling at Matukia is planned to commence in the June quarter 2010 with the aim of estimating Inferred Mineral Resources.

Metallurgical test work of ore type composites from Matukia is underway, although the metallurgical response at Matukia is expected to be similar to Gafal West, where specular hematite schist can be successfully beneficiated using simple magnetic separation to produce an iron ore concentrate of >60% Fe with low levels of impurities.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

Competent Person:

The contents of this report relating to exploration and mineral resources are based on information compiled by Sean Halpin, a Member of the Australasian Institute of Geoscientists. Mr Halpin is a geological consultant to Marampa Iron Ore Limited and has sufficient experience relevant to the styles of mineralisation and the deposit under consideration and to the activity he is undertaking to qualify as a Competent Person, as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Halpin consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.

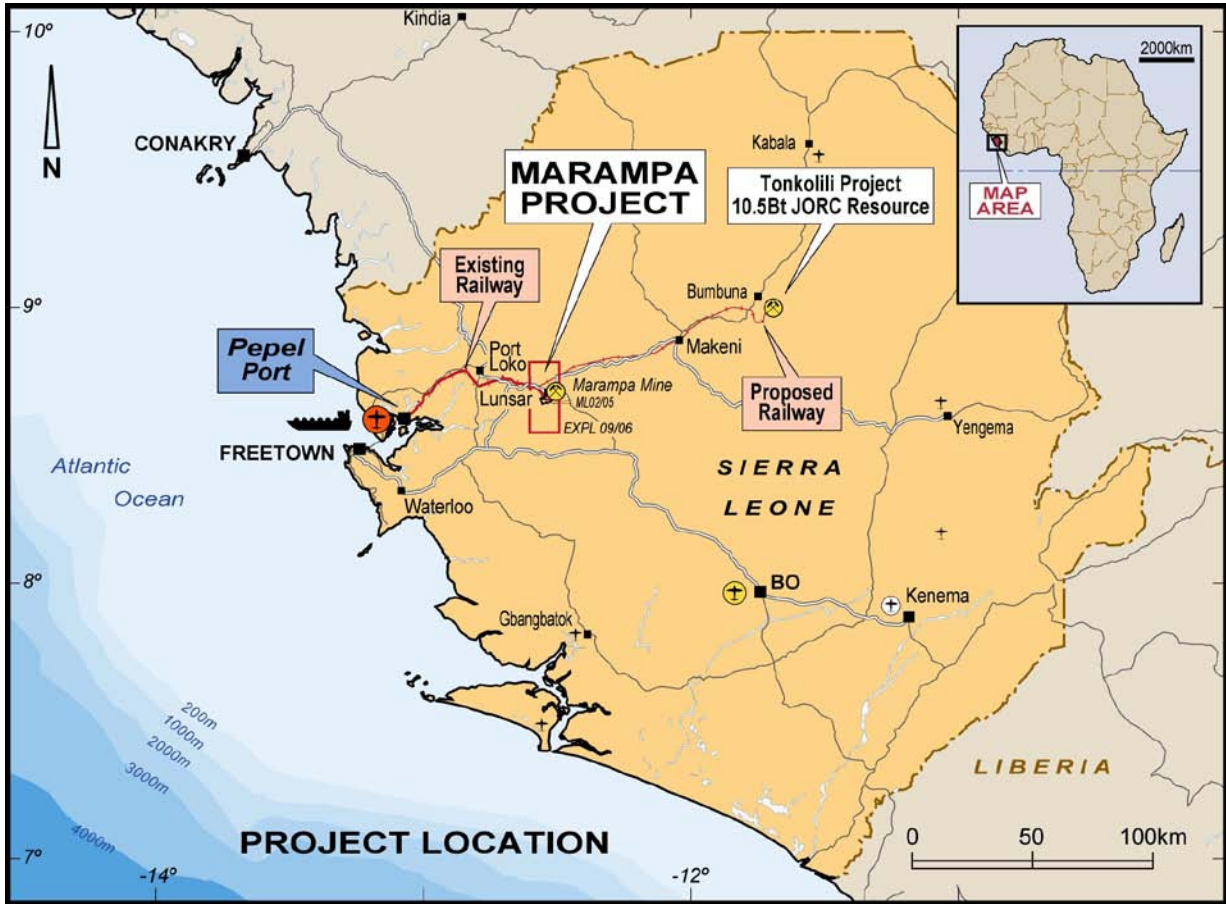


Figure 1: Marampa Project Location

Table 1 – Matukia Diamond Drill Hole Assay Results

Hole Number	Easting WGS84 Zone 28	Northing	RL	Dip Degrees	Azimuth	Hole Length Metres	Down Hole								
							From Metres	To	Length Metres	Fe %	Al ₂ O ₃ %	SiO ₂ %	P %	TiO ₂ %	LOI %
MPDD014	774051	963199	102	-50	270	316	226	300	74	30.1	4.76	41.0	0.13	0.17	3.40
MPDD015	773952	963184	104	-50	270	186	0	132	132	33.6	4.83	36.9	0.11	0.20	2.91
MPDD016	773850	963398	102	-50	270	132	32.8	114	81.2	36.1	3.24	35.5	0.15	0.15	3.09
MPDD017	773951	963398	102	-50	270	261	152	250	98	33.0	4.07	37.6	0.17	0.17	3.36
MPDD018	773501	963799	95	-50	90	147	60	132	72	25.9	5.76	43.1	0.09	0.19	3.68
MPDD019	773404	963797	93	-50	90	248	195	237	42	32.8	4.13	38.2	0.14	0.16	3.32
MPDD020	774051	962799	92	-50	270	435	38	106	68	32.5	4.31	38.7	0.18	0.18	2.59
							154	228	74	32.5	3.96	39.1	0.14	0.15	3.28
							288	394	106	28.8	5.04	40.0	0.10	0.20	3.50
MPDD021	773953	962798	93	-50	270	313	8.7	48	39.3	27.0	6.09	49.6	0.17	0.27	1.75
							188	276	88	32.0	4.48	38.0	0.10	0.17	3.68
MPDD022	773882	962598	98	-50	270	170	108	170	62	31.5	4.56	38.8	0.11	0.15	3.60
MPDD023	773982	962599	100	-50	270	335	Assays Pending								
MPDD024	773853	962795	95	-50	270	155	Assays Pending								

Notes: Minimum intersection width is 6m down hole at >20% Fe. Maximum of 10m of internal waste <20% Fe. All samples half sawn diamond core, HQ in weathered zone, NQ in fresh rock, 2m composites in fresh rock, 2m – 5m composites in weathered rock. Elements assayed by UltraTrace laboratories in Perth, Western Australia using XRF. The down hole intersection lengths do not represent true widths. Hole MPDD022 terminated in mineralisation due to equipment failure.

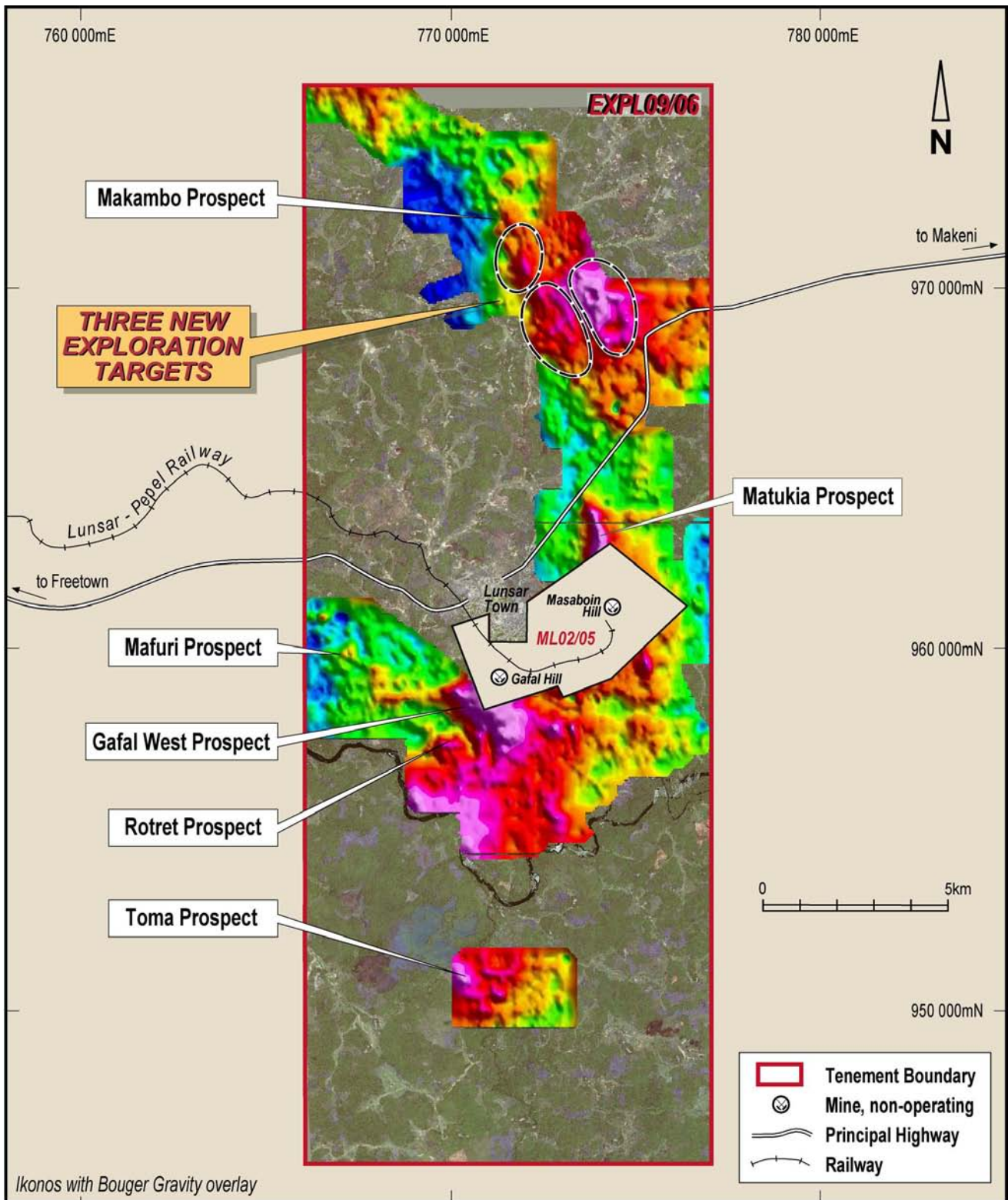


Figure 2: Marampa Project - Prospect Locations

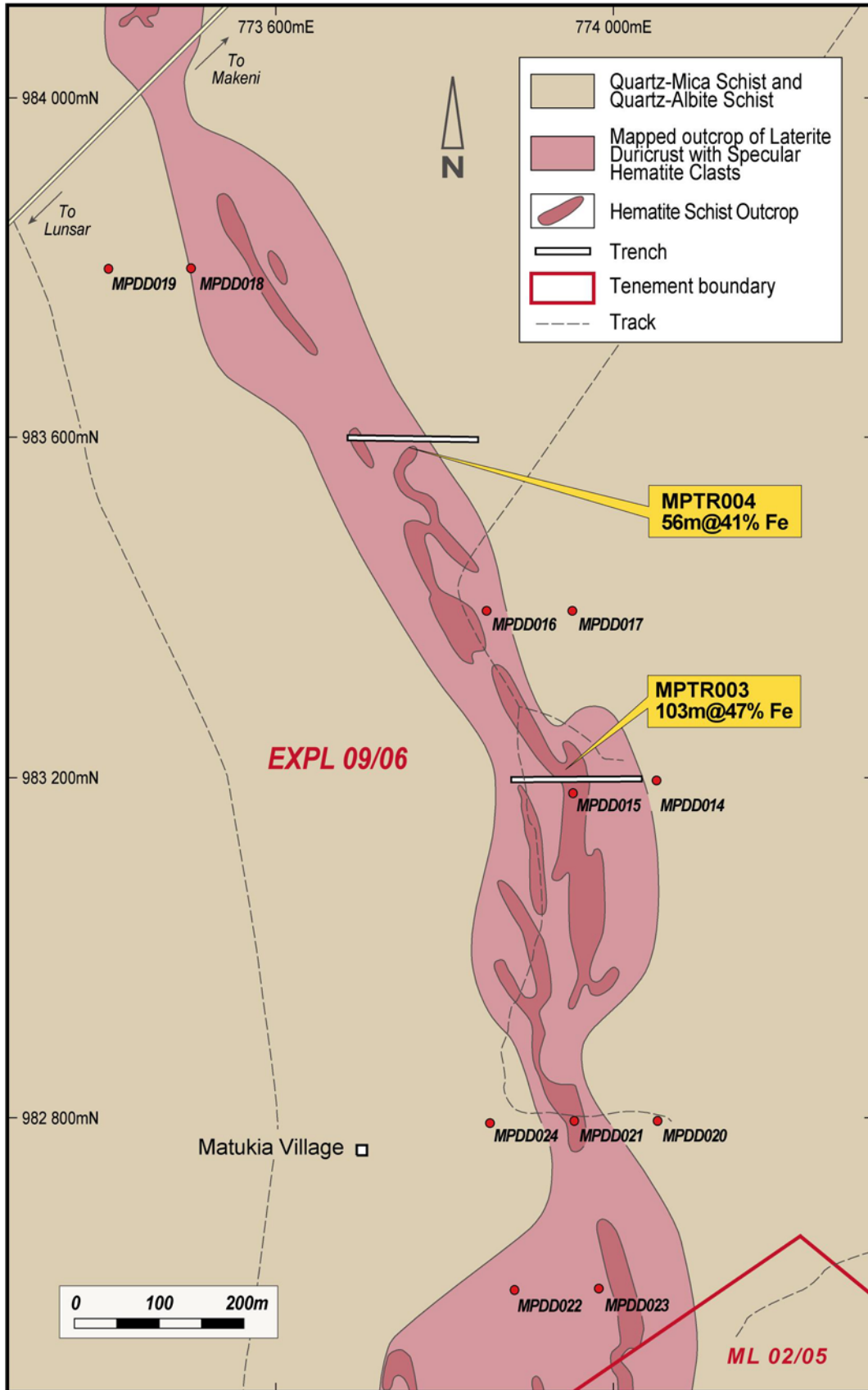


Figure 3: Matukia Prospect - Drill Hole Locations