

## A\$135M sale of Lady Annie Project progressing towards completion

### Key Points:

- Cape Lambert has agreed to sell Lady Annie in Queensland, Australia, to China Sci-Tech for a total consideration of A\$135M,
- FIRB approval has been received, with the final key condition of the sale, China Sci-Tech shareholder approval, to be sought on 28 May 2010,
- Subject to China Sci-Tech shareholder approval being received and all other condition precedents being fulfilled or waived, sale completion is scheduled to occur as soon as possible after 28 May 2010, and
- Cape Lambert intends to make A\$0.08 to A\$0.10 return to Shareholders following receipt of the sale funds.

Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) ("Cape Lambert" or the "Company") expects to complete the sale of its Lady Annie Project ("Lady Annie") in Queensland, Australia, for a total consideration of A\$135 million to Hong Kong listed company China Sci-Tech Holdings Limited ("China Sci-Tech" or "CST") shortly after 28 May 2010.

Completion of the sale is conditional on a number of matters including CST receiving Foreign Investment Review Board ("FIRB") approval and its shareholders' approval, and other minor regulatory approvals and third party consents.

FIRB approval was received by CST in late March 2010 (see ASX announcement dated 31 March 2010).

CST has now despatched to its shareholders a circular (notice of meeting) to enable its shareholders to vote on the acquisition of Lady Annie at a general meeting to be held in Hong Kong on 28 May 2010.

Subject to CST shareholder approval being received and all other condition precedents being fulfilled or waived, sale completion is scheduled to occur as soon as possible after 28 May 2010.

Cape Lambert Executive Chairman, Mr Tony Sage said "On completion of the sale we will be in receipt of A\$130M in cash, at which time we will be able to finalise our plans regarding payment of a partially franked dividend to Shareholders".

"It is our intention to return between A\$0.08 and A\$0.10 per share to

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

Marampa Iron Ore Project  
Sappes Gold Project  
DMC Mining Limited  
Corvette Resources Limited  
Pinnacle Asset Group 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](mailto: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](mailto:Jos@conduitpr.com)

Shareholders once the A\$130 million cash is received,” added Mr Sage.

The proposed cash return to Shareholders will 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.

The Company also plans to use some of the funds received to ramp up its drilling program at the Marampa iron ore project, and to commence drill assessment of the Pinnacle assets, both located in Sierra Leone, West Africa.

Yours faithfully  
Cape Lambert Resources Limited

Tony Sage  
**Executive Chairman**