

Sale of Lady Annie Project now complete

Key Points:

- **Cape Lambert agreed to sell Lady Annie in Queensland, Australia, to China Sci-Tech for a total consideration of A\$135M,**
- **Completion of the sale occurred on 31 May 2010,**
- **Cape Lambert received at completion a cash payment of approximately \$132 million after various settlement adjustments,**
- **In due course, a further \$12 million of Cape Lambert's existing restricted cash will be freed-up on the release of cash backed environmental performance bonds,**
- **The Company may also receive up to a further \$5 million in deferred payments subject to milestones.**

Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) ("Cape Lambert" or the "Company") is pleased to announce that the sale of its Lady Annie Project ("Lady Annie") in Queensland, Australia, to Hong Kong listed company China Sci-Tech Holdings Limited ("China Sci-Tech" or "CST") has now completed.

Completion of the sale occurred on 31 May 2010 with Cape Lambert receiving a cash payment of approximately \$132 million after various settlement adjustments, including re-imbursement of holding costs for the past three months and cash backed guarantees and securities. In addition, and in due course, a further \$12 million of Cape Lambert's existing restricted cash will be freed-up on the release of cash backed environmental performance bonds.

The Company may also receive up to a further \$5 million in two deferred payments of \$2.5 million each, which are payable on certain production and reserve related milestones being achieved.

Mr. Tony Sage, Cape Lambert Executive Chairman said "the sale of Lady Annie inside 12 months provided the Company with an immediate return of approximately 52% on its investment to acquire the project, and coupled with the disposal of non-core shareholdings for \$28 million earlier in the year, cash realisations now exceed the acquisition cost of the entire portfolio of CopperCo assets with significant, high value assets like the Sappes gold project and a 25% interest in the Lady Loretta lead-zinc-silver project yet to be monetised".

The Company plans to return a portion of the cash received from the sale of Lady Annie to shareholders as a partially franked special dividend, pursue other business development, and also 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.

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

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Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman