

Cape Lambert to return ~A\$44M to shareholders via A\$0.07 per share special dividend

Key Points:

- **Cape Lambert board agrees to return ~A\$44M to shareholders by way of a A\$0.07 per share special dividend,**
- **Payment of special dividend was made possible by the completion of the A\$135M sale of the Lady Annie Project in Queensland to China Sci-Tech Holdings Limited,**
- **Special dividend is marginally lower than planned, as a result of the need to maintain sufficient cash reserves to fund:**
 - **Offer for DMC Mining Limited**
 - **Upgrade of the Marampa rail and port**
 - **Settlement of the Leichardt Copper Project transaction**
 - **Other investment opportunities**
- **Payment of special dividend brings the total returned to shareholders in the past two years to ~A\$144M (or ~ A\$0.30 per share), and**
- **Cape Lambert will aggressively expand exploration activities at key projects, including Marampa and Pinnacle.**

Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) ("Cape Lambert" or the "Company") is pleased to confirm a ~A\$44M return to shareholders, by way of a partly franked A\$0.07 per share special dividend.

The payment of this special dividend brings the total returned to shareholders in the past two years to ~ A\$144M (or ~ A\$0.30 per share). In October 2008, the Company returned ~A\$100M to shareholders (~ A\$0.227 per share), by way of a return of capital and special dividend (see ASX announcement dated 2 October 2008).

Cape Lambert has been able to pay this special dividend due to the recent successful completion of the A\$135M sale of the Lady Annie Project in Queensland to China Sci-Tech Holdings Limited.

Commenting on this significant return to shareholders, the second in 18 months, Cape Lambert Executive Chairman, Mr Tony Sage, said, "Cape Lambert is committed to returning value to shareholders as assets are monetised."

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

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Email: jos@conduitpr.com

“To have returned ~ A\$144M to shareholders, during some of the most uncertain times ever seen in worldwide capital markets, is testament to our business strategy and the highly skilled technical and corporate staff we have within our business.”

“Cape Lambert has built a successful business model that is centered on acquiring distressed or undervalued assets or companies, then applying funds and technical resources to them so as to create value and ultimately allow for a realisation of that value, most likely through a trade sale,” Mr Sage added.

The special dividend is marginally lower than planned, as a result of the need to maintain suitable cash reserves to fund:

- Offer for DMC Mining Limited
- Upgrade to Marampa rail and port
- Settlement of the Leichardt Copper Project transaction
- Other investment opportunities

“While we had hoped to return slightly more to shareholders, the Board felt it prudent to maintain a conservative approach in relation to cash reserves given we are currently bidding for DMC Mining Limited and will soon need to make a contribution to the Marampa port and rail, which will play a key role in the realisation of value in respect of our Marampa iron ore project in Sierra Leone,” Mr Sage added.

In accordance with the ASX Listing Rules, the timetable applicable for the special dividend is outlined below:

Event	Date *
Announcement of Dividend	15 June 2010
Effective Date	24 June 2010
Trading in Shares starts on an “ex dividend basis”	24 June 2010
Record Date	30 June 2010
Payment and Dispatch Date	16 July 2010

** Dates are indicative and may be subject to change.*

Exploration activities in Sierra Leone

Extensive exploration activities will continue at the Company’s key asset, the Marampa Iron Ore project (“Marampa”) in Sierra Leone. To that end, the Company is increasing the number of drill rigs at Marampa from one to three with the objective of publishing a maiden JORC resource by the end of the year. In addition to Marampa, Cape Lambert also holds ownership and access rights to the associated Marampa railway and port. This infrastructure will be upgraded in the next 9 months to accommodate the commencement of production at the African Minerals Limited owned Tonkolili project (AIM: AMI).

Cape Lambert will be required to contribute on a pro-rata ownership basis to this infrastructure upgrade.

Cape Lambert also holds interests in coal and iron ore assets via its shareholding in unlisted company, Pinnacle Asset Group Limited.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

HAVE YOU PROVIDED YOUR TFN/ABN DETAILS TO OUR SHARE REGISTRY?

Shareholders are reminded that Australian resident shareholders that have not provided a TFN/ABN at the time of a dividend payment, 46.5% tax will be withheld from the payment.

The Company's share registry, Computershare Investor Services Pty Limited (**Computershare**) maintains shareholder information on our behalf.

If you are in doubt that you have a TFN/ABN recorded or wish to provide Computershare with your TFN/ABN, do so by completing one of the following options:

Option 1 – Online via the Investor Centre

Shareholders can logon to the Computershare website at: www.computershare.com.au/investors

Select '**Holding Enquiry**' from the menu on the right side of the Investor Centre home page

Complete the following security questions

- Company Name: **Cape Lambert Resources Limited**
- SRN/HIN: **your unique number starts with an I or X**
- Postcode: **as shown on the CFE register**
- Security Code: **as shown in the box**
- After reading the terms and conditions, tick the box to confirm you have read and agree to the terms.

Select '**Update my Details**' from the menu at the top of the page.

Option 2 – Complete a TFN/ABN form.

Shareholders can complete the following TFN form and return it by post or fax to Computershare.

Postal Address

Computershare Investor Services Pty Limited
GPO Box D182
Perth WA 6840

Fax: 08 9323 2033

If you have any queries regarding your holding please call Computershare directly:

1300 557 010 (Australia)

+61 3 9415 4000 (Overseas)

Kind regards

Cape Lambert Resources Limited

Eloise von Puttkammer

Company Secretary

All correspondence to:

Computershare Investor Services Pty Limited
 GPO Box 2975 Melbourne
 Victoria 3001 Australia
 Enquiries (within Australia) 1300 850 505
 (outside Australia) 61 3 9415 4000
 Facsimile 61 3 9473 2500
 web.queries@computershare.com.au
 www.computershare.com

Company or Trust in which Securityholding is held

Registered Name(s)

Registered Address

Holder Reference Number (HIN)
 or Securityholder Reference Number (SRN)

Tax File Numbers (TFN), Australian Business Numbers (ABN) or Exemptions

Use a black pen.
 Print in CAPITAL letters.

A B C

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Where a choice is required,
 mark the box with an 'X'

X

A	Tax File Numbers (TFN), Australian Business Numbers (ABN) or Exemptions									
Complete this section to provide your TFN and /or to claim the appropriate exemption by quoting the Exemption Code and Number. A Company, Partnership, Trust, Super Fund or an Individual can provide either their TFN, or where the securities are held for a business purpose their ABN.										
INDIVIDUALS/JOINT HOLDERS	TFN of Individual (Securityholder 1)	<input type="text"/>								
	Name 1 (Full Name)	<input type="text"/>								
	Securityholder 1 Exemption Details	Exemption Code	Exemption Number							
	<input type="checkbox"/> Mark this box with an 'X' if Exemption applies	<input type="text"/>	<input type="text"/>							
	Securityholder 2 Exemption Details	Exemption Code	Exemption Number							
	<input type="checkbox"/> Mark this box with an 'X' if Exemption applies	<input type="text"/>	<input type="text"/>							
OTHER ENTITIES	TFN of Company, Partnership, Trust or Super Fund	<input type="text"/>								
	AND OR	<input type="text"/>								
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Company	Partnership	Trust	Super Fund							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							



How to complete this form

A Tax File Numbers (TFN), Australian Business Numbers (ABN) or Exemptions

Please record your TFN, ABN or the appropriate exemption information. If you are exempt, but have a TFN, it is safer to provide your TFN in case your circumstances change.

For securities held jointly, details of only two holders are required. If possible, you should give details of those securityholders with a TFN rather than those who are exempt.

For securities held on behalf of another person, such as a child or an aged or invalid person, enter the Trust TFN. If there is no Trust TFN, enter the Trustee's TFN or exemption. Where the investment is held by an adult for a child, the adult is the Trustee.

EXEMPTIONS

For details about who is exempt, please contact the Australian Taxation Office. To claim your exemption, please enter the code and number of the pension or benefit you receive from the following list:

DESCRIPTION	CODE	EXEMPTION NUMBER	DESCRIPTION	CODE	EXEMPTION NUMBER
Aged Pension	AGE	444444441	Carer's Pension	CAR	444444442
Invalid Pension	INV	444444441	Other/Unknown	OTH	444444442
Service/Veteran's Pension	SER	444444441	Special Benefit	SPB	444444442
Rehabilitation Allowance	REH	444444442	Provision Consumer/Business Finance	FIN	666666666
Sole Parent's Pension	SOL	444444442	Government Bodies	GOV	555555555
Widow's Pension	WID	444444442	Non Profit Organisation	NPO	555555555
Wife's Pension	WIF	444444442	Not Required to Lodge	NRL	555555555

Collection of Tax File Numbers is authorised and their use and disclosure are strictly regulated by the Tax Laws and the Privacy Act.

It is not an offence to withhold your TFN or, where the securities are held for a business purpose, your ABN. However, if you do not provide your TFN or ABN, tax may be deducted from payments of interest and the unfranked portion of dividends and distributions at the highest marginal rate.

This instruction will be applied in relation to the current and any future securities recorded in the register in respect of the specific holding identified by the SRN/HIN and the name appearing on the front of this form.

FOR MORE INFORMATION ABOUT TAX FILE NUMBERS, AUSTRALIAN BUSINESS NUMBERS AND EXEMPTIONS PLEASE CONTACT THE AUSTRALIAN TAXATION OFFICE ON 1300 720 092.

