

## Update on franking of special dividend

### Key Points:

- **As announced on 15 June 2010, Cape Lambert board has resolved to return a A\$0.07 per share special dividend to shareholders,**
- **External tax advisors have now finalised reviewing the Company's franking account,**
- **The Board is pleased to advise that the Company has sufficient franking credits to fully frank the special dividend.**

On 15 June 2010, Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) ("Cape Lambert" or the "Company") announced a return to shareholders of approximately A\$44 million, by way of a A\$0.07 per share special dividend.

The Company is pleased to advise that external tax advisors have now finalised reviewing the Company's franking account balance and Cape Lambert has sufficient franking credits available to enable the payment of the special dividend as **fully franked** rather than partially franked as previously contemplated.

The payment of this special dividend brings the total returned to shareholders in the past two years to approximately A\$144 million.

"Being able to fully frank the special dividend is an incredibly positive outcome significantly reducing the tax payable on the dividend by shareholders." Cape Lambert Executive Chairman, Mr Tony Sage, said.

Yours faithfully  
Cape Lambert Resources Limited

Tony Sage  
**Executive Chairman**

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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