

SALE OF UNMARKETABLE PARCELS OF SHARES

The Board of Cape Lambert Resources Limited (**Cape Lambert** or **Company**) (**ASX:CFE**) is pleased to announce that, as part of a capital management program, it has established a sale facility for unmarketable parcels of Cape Lambert Shares.

An unmarketable parcel is a parcel of Shares valued at less than \$500 as at the close of trade on 26 October 2010 (**Record Date**).

The Company currently has 7,253 shareholders of which 463 hold less than a marketable parcel. Those holdings, which total 325,686 Shares, represent 0.05% of the Company's total issued Shares.

Those shareholders which hold an unmarketable parcel of Shares will be sent a notice advising them of this fact (**Notice**).

Unless those shareholders who receive a Notice advise the Company's share registry by 5:00pm (WST) on 20 December 2010 that they want to retain their Shares, their Shares will be sold and they will be sent the sale proceeds.

The Shares will be sold at a price not less than the average closing price of Shares on ASX over the 10 trading days prior the date on which the offer for your Shares is received by the Company in respect of the relevant Shares.

The Unmarketable Parcel Facility is being established in accordance with the Company's Constitution and the ASX Listing Rules.

If you receive a Notice and want to sell your Shares under the Unmarketable Parcel Facility – you do not need to do anything.

Your Shares will be sold on your behalf by Cape Lambert after 20 December 2010. You will not need to appoint a broker or pay the brokerage and handling costs associated with the sale of Shares under the Unmarketable Parcel Facility. Any tax consequences from the sale of your Shares will be your responsibility.

If you receive a Notice and you wish to retain your Shares - you must return the Notice of Retention Form which will be enclosed with the Notice. The Notice of Retention Form must be returned so that it is received by 5:00pm (WST) on 20 December 2010. The Unmarketable Parcel Facility will be open until this date.

Further information as to the progress of the Unmarketable Parcel Facility will be released in the coming weeks.

Yours faithfully
Cape Lambert Resources Limited

Eloise von Puttkammer
Company Secretary

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

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
Pinnacle Group Assets
Sappes Gold Project
DMC Mining Limited
Corvette Resources Limited

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