

ASX Announcement 9 November 2010

EXCELLENT DAVIS TUBE RECOVERY RESULTS RECEIVED FOR MAYOKO PROJECT

Key Points:

- Excellent Davis Tube Recovery ("DTR") results received for magnetite banded iron formation ("Magnetite BIF") at Mayoko.
- The DTR results returned concentrates with high iron grades (68-70% Fe) and mass recoveries (40-45%), with low levels of silica, alumina, sulphur and phosphorus.
- The results demonstrate the Magnetite BIF at Mayoko can be upgraded using simple magnetic separation, at a relatively coarse grind size (80% passing 77 micrometres) to produce a high-grade concentrate, which may be suitable as a direct reduction feed stock.

Australian resources and investment company, Cape Lambert Resources Limited (ASX: CFE) ("Cape Lambert" or the "Company") is pleased to announce Davis Tube Recovery ("DTR") results from magnetite mineralisation at its 80% owned Mayoko Iron Ore Project ("Mayoko Project" or "Mayoko"), located in the Republic of Congo, West Africa (refer Figure 1).

The Company has previously advised the market of the results of the Phase 1 drill program (18 diamond holes for 3,687m) (refer ASX Announcement dated 14 September 2010), which included magnetite banded iron formation ("Magnetite BIF") (refer Plate 1) occurring in two lenses varying from 50 to 200m thick and extending to more than 300m below surface over the full 7km strike length of the Mount Lekoumou and Mount Mipoundi prospects (refer Figure 2).

The Company has received DTR results for six composite samples representing weathered BIF ("Enriched BIF") (refer Plate 2) and Magnetite BIF. DTR testing has been conducted at two 80% passing grind sizes, being 73 and 67 micrometres.

Results are summarised in Table 1.

The DTR results show the Magnetite BIF at Mayoko can be beneficiated into a concentrate grading 68-70% Fe, 3-5% SiO₂, 0.2-0.4% Al₂O₃, <0.05% S and 0.006-0.02% P with a mass recovery to concentrate of 40-45%. This is a high-grade concentrate, which may be suitable as a direct reduction feed stock.

The Company's Executive Chairman, Mr Tony Sage said "whilst the immediate development plan for Mayoko was based on the DSO cap and Enriched BIF, these results demonstrate the underlying magnetite mineralisation also has significant value and would underpin a substantial project mine life".

Yours faithfully Cape Lambert Resources Limited

Tony Sage Executive Chairman

info@capelam.com.au www.capelam.com.au 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 SageExecutive ChairmanTim TurnerNon-executive DirectorBrian MaherNon-executive DirectorRoss LevinNon-executive Director

Eloise von Puttkammer Company Secretary

Key Projects and Interests

Marampa Iron Ore Project Pinnacle Group Assets Sappes Gold Project Mayoko Iron Ore Project Corvette Resources Limited

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Table 1: Mayoko DTR Results

Sample	Lithology	Grind	Head Grade	Mass	DTR Concentrate				
		80% Passing (µm)	Fe (%)	Recovery (%)	Fe (%)	SiO ₂ (%)	$AI_2O_3(\%)$	S (%)	P (%)
1	Enriched	73	43.3	18.7	69.6	0.9	0.17	0.006	0.028
	BIF	67	43.3	15.7	69.9	0.8	0.15	0.004	0.024
2	Magnetite	73	36.4	38.9	64.2	8.7	0.44	0.088	0.018
	BIF	67	36.4	37.1	65.6	7.3	0.43	0.075	0.015
3	Magnetite	73	31.7	39.9	69.1	3.7	0.15	0.020	0.007
	BIF	67	31.7	39.8	69.5	3.2	0.14	0.016	0.006
4	Magnetite	73	35.9	42.8	69.6	3.1	0.12	0.023	0.006
	BIF	67	35.9	41.8	69.7	2.9	0.11	0.021	0.006
5	Magnetite	73	35.7	43.4	68.5	4.2	0.26	0.040	0.012
	BIF	67	35.7	43.2	69.1	3.4	0.27	0.045	0.009
6	Magnetite	73	36.4	47.4	67.6	5.4	0.27	0.012	0.011
	BIF	67	36.4	45.1	68.3	4.6	0.26	0.012	0.009

Notes:

• DTR testing performed by AMDEL Limited with chemical analysis by Xray Fluorescence Spectrometry (XRF).

• Sample 1 is Enriched BIF rather than Magnetite BIF and hence has a low mass recovery. High intensity magnetic or gravity separation is required to optimise mass recovery.

Competent Person – Metallurgical Test Results

The contents of this report relating to metallurgical test results is based on information compiled by GV Ariti, a Member of the Australasian Institute of Mining and Metallurgy. Mr Ariti is a consultant to Cape Lambert and has sufficient experience relevant to the styles of mineralisation and the deposits under consideration and to the activity he is undertaking to qualify as a Competent Person, as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Ariti consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.





Plate 1 - Magnetite BIF – Mt Mipoundi

MKDD002 (259.0-267.0m): 8m at 39.5% Fe, 40.6% SiO₂, 0.4% Al₂O₃, 0.06% P, 0.04% S



Plate 2 - Enriched BIF – Mt Mipoundi

MKDD006 (38.0-46.0m): 8m at 40.4% Fe, 39.3% SiO₂, 1.5% Al₂O₃, 0.05% P, 0.01% S



