

Second and Final Notice – Sale of Unmarketable Parcels of CFE Shares

The Directors of Cape Lambert Resources Limited (**ASX: CFE**) (the **Company**), advise that further to the announcement made on 27 October 2010 in respect to the sale of unmarketable parcels of shares in the Company, the second and final notice has been mailed to members who held shareholdings of \$500 or less as at the close of business on 26 October 2010 (based on a share price of \$0.41 as at the close of trade on 26 October 2010) (**Unmarketable Parcel**).

Shareholders with an Unmarketable Parcel who have not advised the Company of their intention to retain their shareholding in the Company and wish for their holding to be excluded from the sale, must lodge a Notice of Retention Form, which was sent to shareholders holding an Unmarketable Parcel on 27 October 2010, before 5 January 2011.

After 5 January 2011, the Company will arrange for the sale of all Unmarketable Parcels in respect of which a Notice of Retention Form has not been received.

As at 26 October 2010, the Company had 7,253 shareholders of which 463 held an Unmarketable Parcel. Those holdings, which total 325,686 shares represent 0.05% of the Company's total issued shares.

Please contact the Company on +61 8 9380 9555 or the Company's share registry on 1300 85 05 05 (inside Australia) or on +61 3 9415 4000 (outside Australia) if you have any queries about lodging the Notice of Retention Form or the practical operation of the Unmarketable Parcel sale facility.

Yours faithfully
Cape Lambert Resources Limited

Claire Tolcon
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
616,718,480

Unlisted Options
8,000,000 (\$0.45 exp 30 Dec 2011)

Board of Directors

Tony Sage Executive Chairman
Tim Turner Non-executive Director
Brian Maher Non-executive Director
Ross Levin Non-executive Director

Claire Tolcon
Company Secretary

Key Projects and Interests

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

Cape Lambert Contact

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