

AUD\$83 MILLION DIVESTMENT OF DMC MINING NOW COMPLETE

Key Points:

- **Divestment of wholly owned subsidiary DMC Mining Limited to African Iron Limited (formerly Stirling Minerals Limited) now complete.**
- **Cape Lambert has received:**
 - **AUD\$47 million cash; and**
 - **120 million African Iron shares (post-consolidation) equivalent to approximately 25% of African Iron's undiluted capital.**
- **In addition, Cape Lambert will receive a production royalty of AUD\$1 per tonne of iron ore shipped (whether DSO, beneficiated DSO or magnetite concentrate).**
- **Cape Lambert executives Tony Sage and Joe Ariti have now joined the board of African Iron.**
- **Patersons Securities Limited acted as Corporate Advisor, and Steinepreis Paganin, Lawyers and Consultants, acted as Legal Advisor to the transaction.**
- **Cape Lambert now pursuing opportunities to crystallise value from Marampa Iron Ore Project, through either a trade sale or initial public offering on either ASX or London AIM.**

Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) (**Cape Lambert** or the **Company**) is pleased to announce that it has successfully completed the divestment of its wholly owned subsidiary, DMC Mining Limited (**DMC Mining**) (**Transaction**). DMC Mining has an 80% interest in the Mayoko Iron Ore Project, located in the Republic of Congo (**Mayoko Project**).

DMC Mining has been successfully sold to African Iron Limited (formerly Stirling Minerals Limited) (**ASX: AKI**) (**African Iron**).

In accordance with the terms of the Transaction announced on 5 November 2010, African Iron has paid to Cape Lambert AUD\$47 million in cash and has issued 120 million African Iron shares (on a post consolidation basis) to Cape Lambert, which represents an approximate 25% interest in African Iron (together, the **Consideration**).

In addition to the Consideration, Cape Lambert will receive a production royalty of AUD\$1 per tonne of iron ore shipped (whether DSO, beneficiated DSO or magnetite concentrate) from the Mayoko Project.

Cape Lambert Executive Chairman, Mr Tony Sage said, "now that the divestment of DMC Mining has been successfully completed, management will begin working on the crystallisation of shareholder value from the Marampa Iron Ore Project in

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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Sierra Leone, which may involve a trade sale or an initial public offering on either the ASX or London AIM.”

He further added, “consistent with the Company’s amended business model, Cape Lambert will retain a production royalty and an ongoing interest in the Marampa asset as part of its monetisation”.

Funds raised from the divestment of DMC Mining will be applied to drilling and assessment activities at the Company’s 37% owned Pinnacle iron ore assets located in West Africa, and the Leichhardt Copper Project, located in the Mt Isa Inlier in Queensland, Australia.

Patersons Securities Limited acted as Corporate Advisor, and Steinepreis Paganin, Lawyers and Consultants, acted as Legal Advisor to the Transaction.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman