

AMENDED AGREEMENT REACHED WITH AFRICAN MINERALS IN RESPECT OF THE MARAMPA/PEPEL INFRASTRUCTURE PROJECT

Cape Lambert Resources Limited (ASX: CFE) ("Cape Lambert" or the "Company") is pleased to announce that, further to its announcements of 16 July 2010 and 15 October 2010, the Company has reached an amended agreement with African Minerals Limited (AIM: AMI) ("African Minerals") in respect of the Marampa/Pepel Infrastructure Project (the "Project").

The key points of the previously disclosed agreement, were that:

- Cape Lambert will have the right to fund 33% of the refurbishment costs of the Project in return for an equivalent 33% interest in the Project, and a right of first refusal to match any third party offer, if received, for the balance of the Project; and
- African Minerals will provide Cape Lambert with infrastructure capacity (excluding rolling stock) for 2Mtpa production from the Company's Marampa mine, through Pepel Port on commercial terms to be agreed between the parties.

Further to negotiations between the two parties, both companies now confirm that, with the Company having been granted the option to increase transport capacity to 5Mtpa, Cape Lambert will not exercise its right to buy in to the Project, but will take up its right to access the transport infrastructure, under the following terms:

- African Minerals will provide 3rd party access rights to Cape Lambert on commercial terms to transport up to 2Mtpa of the Company's iron ore production from its Marampa mine on the Marampa Railway and via Pepel Port, using African Minerals' stockyard;
- Cape Lambert will have an option to increase this transport capacity to 5Mtpa once the Tagrin Infrastructure Facilities are in full operation;
- Any extension required to construct the "spur" to the Marampa Railway linking Cape Lambert's operation at Marampa to the current route of the Marampa Railway will be at the Company's cost;
- Cape Lambert will be responsible for sourcing its own rolling stock and locomotives; and
- The parties will enter into good faith negotiations to finalise and execute full form legal agreements reflecting the commercial and legal terms as set out above.

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
610,705,062

Unlisted Options
8,000,000 (\$0.45 exp 30 Sept 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
African Iron Limited
International Goldfields Limited

Cape Lambert Contact

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Cape Lambert Executive Chairman, Mr. Tony Sage said “he was pleased with the revised agreement with African Minerals as it provided the Company with 5 million tonnes per annum of transport capacity without the requirement to invest significant capital in refurbishing the Marampa Rail and Pepel Port”.

He further added “the timing was such that the Tagrin Infrastructure would be online at about the time the Marampa Project was scheduled to commence production, so Marampa would effectively have 5Mtpa of transport capacity from day one split over the Marampa/Pepel Infrastructure and Tagrin Infrastructure”.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman