

EXCELLENT DRILL RESULTS AT NEW MARAMPA PROSPECTS

Key Points:

- **First pass drill results received from three new prospects at Marampa identifying near surface, oxide and fresh hematite mineralisation.**
- **Significant oxide intersections include:**
 - **MPDD083 (Mafuri): 39.1m at 39.2% Fe from surface; and**
 - **MPDD079 (Rotret): 54.6m at 41.5% Fe from surface.**
- **Significant fresh intersections include:**
 - **MPDD083 (Mafuri): 84m at 27.5% Fe from 24m;**
 - **MPDD079 (Rotret): 49.4m at 32.1% Fe from 54.6m; and**
 - **MPDD097 (Gafal South): 82m at 27% Fe from 62m.**
- **These new drill results will be included in the first mineral resource update for Marampa, which remains on track to be released to the market late in the June 2011 quarter.**
- **This new, near surface oxide hematite mineralisation will add to the soft, low-strip mineralised inventory being ear-marked as first production from Marampa.**

Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) ("Cape Lambert" or the "Company") is pleased to announce the first drill results from the Mafuri, Rotret and Gafal South prospects ("Mafuri", "Rotret", "Gafal South" respectively) at its 100% owned Marampa Iron Ore Project located in Sierra Leone, West Africa ("Marampa" or the "Project") (refer Figure 1).

The Company announced to the market on 10 March 2011, the identification of shallow, soft, higher-grade oxide hematite mineralisation at the Gafal West and Matukia deposits ("10 March ASX Announcement").

As set out in the 10 March ASX Announcement the shallow, soft, higher-grade oxide mineralisation has the potential to defer the initial need for capital intensive, long lead concentrator items comprising the crushing and grinding circuit and presents an attractive "starter" opportunity to release early cash flow from the Marampa Project.

Additional shallow, soft, higher-grade oxide mineralisation has now been identified at the Mafuri and Rotret prospects.

Cape Lambert Executive Chairman, Mr Tony Sage, said "the occurrence of shallow, low strip ratio oxide material, at Rotret and Mafuri strengthens a low capital intensity 2012 project start at Marampa based on open pit mining, simple wet scrubbing and magnetic separation of this oxide mineralisation".

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
571,849,603

Unlisted Options
7,850,000 (\$0.45 exp 30 Sep 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

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Drilling Metrics

Drilling commenced at Mafuri, Rotret and Gafal South in the December 2010 quarter. Diamond and reverse circulation ("RC") drilling has been carried out on 200m spaced sections with the aim of testing for iron mineralisation and delineating maiden, Inferred Mineral Resources for these three prospects.

A total of 69 holes (16 diamond and 53 RC) for 9,348m have been completed to date at Mafuri, 60 holes (19 diamond and 41 RC) for 7,276m at Rotret and 10 holes (2 diamond and 8 RC) for 1,224m at Gafal South (refer Figure 2).

Geological Context

The majority of drill holes at Mafuri, Rotret and Gafal South have intersected medium to coarse-grained specular hematite in quartz-albite-mica schist, similar to the hematite schist mineralisation at the Gafal West and Matukia deposits. Both Rotret and Mafuri have higher-grade, soft oxide hematite schist averaging 20m thickness overlying the fresh hematite schist.

Mafuri represents the western strike continuation of the Gafal West deposit with an arbitrary separation defined on a drainage cross-cutting the hematite schist (refer Figure 2).

Drilling to date at Mafuri has covered a strike length of 2.2km and it is still open to the west and down-dip. In the eastern part of Mafuri the hematite schist dips at a moderate angle to the south and splits into two units before merging into one unit to the west. The dip flattens in the west, producing a broad outcrop of sub-horizontal hematite schist mineralisation lying at the surface.

Rotret is located approximately 1km south of Gafal West. Rotret contains two zones of hematite schist mineralisation, which are interpreted to be two limbs of an overturned antiformal fold. The east end of the Rotret mineralisation is interpreted to be truncated by a fault. Drilling to date at Rotret has covered a strike length of 1.2km on the north limb of the fold and 0.6km on the south limb (refer Figure 2). Both limbs are still open to the west and down-dip.

Gafal South represents the southern extension to the Gafal Hill deposit, held by London Mining plc under ML02/09. The hematite schist unit here is interpreted as a tight antiform fold.

Assay Results

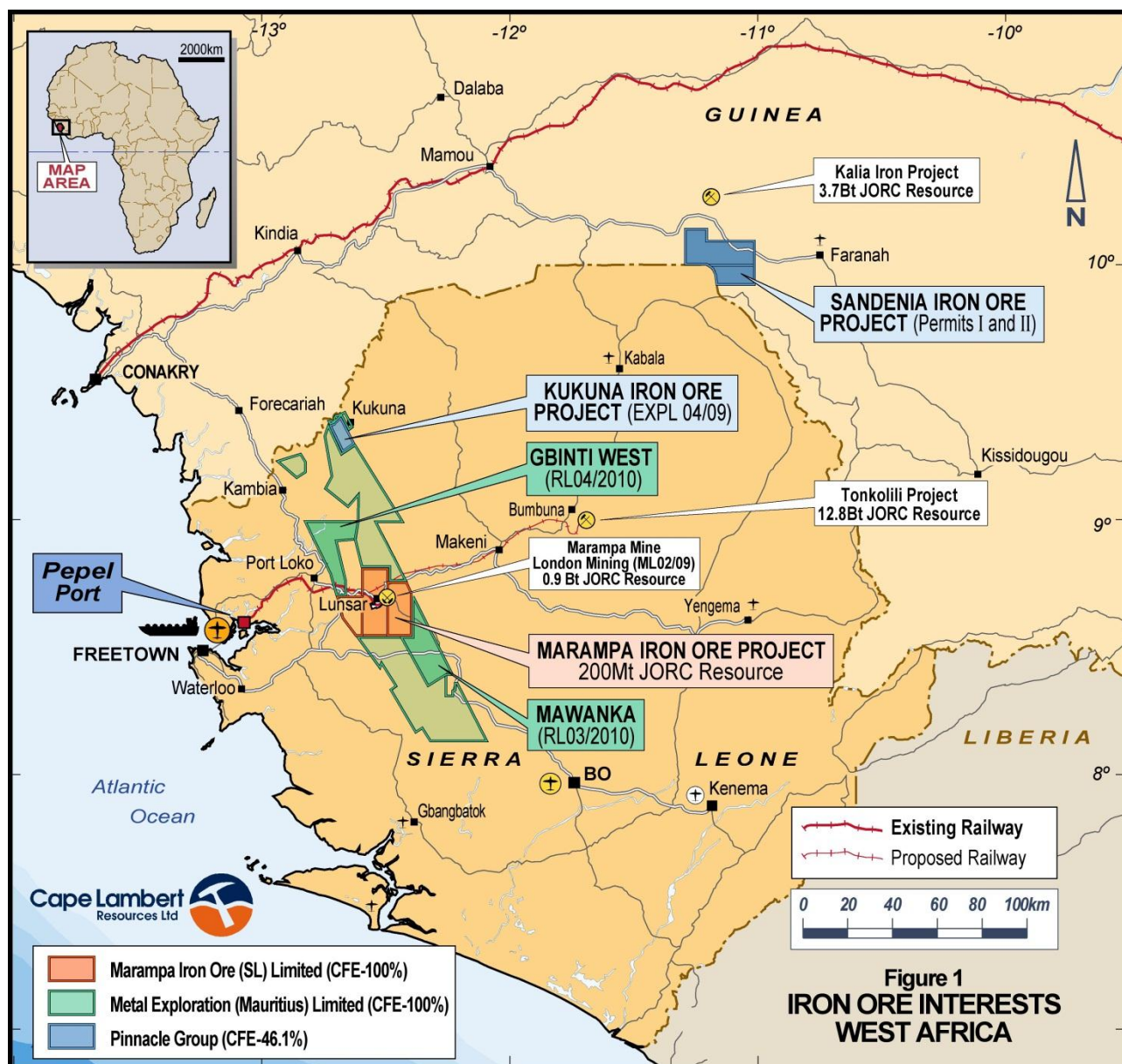
Assay results and drill hole details for Mafuri, Rotret and Gafal South are summarised in Tables 1, 2 and 3 respectively.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

Competent Person:

The contents of this announcement relating to exploration results is based on information compiled by Kim Bischoff, a Member of the Australasian Institute of Mining and Metallurgy. Mr Bischoff is a consultant to Cape Lambert Resources Limited and has sufficient experience relevant to the styles of mineralisation and the deposit 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 Bischoff consents to the inclusion in this announcement of the matters compiled by him in the form and context in which they appear.



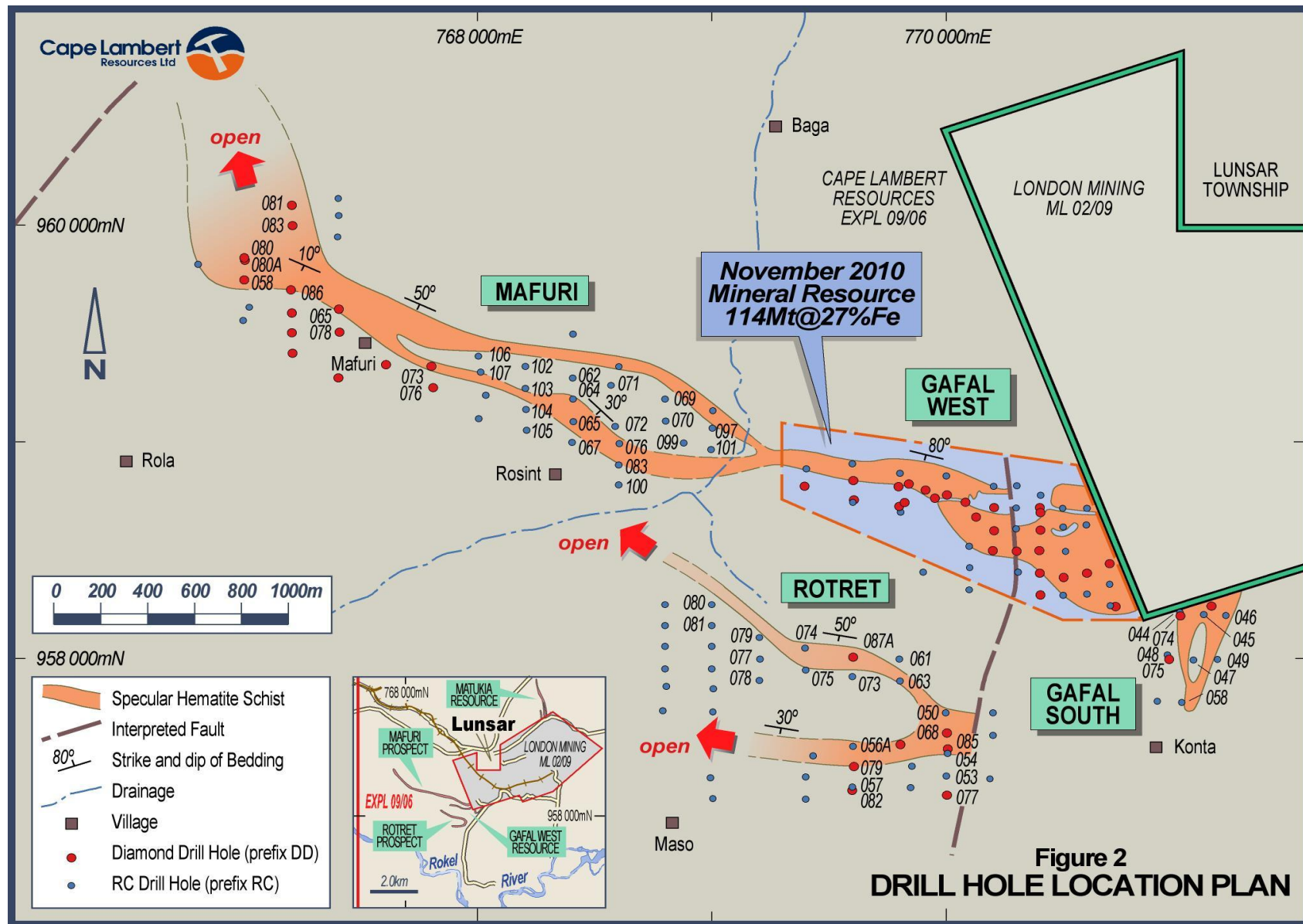


Table 1: Drill Hole Assay Results – Mafuri Prospect

Hole Details								Intersection			Head Assay						Oretype
Hole ID	Prospect	Easting	Northing	RL	Dip	Azimuth	E.O.H.	From	To	Length	Fe	Al ₂ O ₃	SiO ₂	P	S	LOI	
UTM WGS84 Zone 28								m	m	m	%	%	%	%	%	%	
MPDD058	Mafuri	766,997	959,749	82	-50	360	226.0	6.7	35.1	28.4	29.9	6.3	45.7	0.12	0.01	1.8	Oxide
								64.0	102.0	38.0	34.0	3.7	37.2	0.13	0.00	3.5	Fresh
MPDD065	Mafuri	767,400	959,614	89	-56	360	302.5	0.0	33.0	33.0	32.0	7.2	41.6	0.04	0.01	2.6	Oxide
								33.0	60.0	27.0	29.4	5.2	44.2	0.12	0.00	1.9	Fresh
MPDD073	Mafuri	767,798	959,350	79	-50	360	197.8	0.0	9.0	9.0	29.2	6.7	46.3	0.02	0.01	3.0	Oxide
								42.0	120.0	78.0	26.7	5.5	43.1	0.16	0.00	3.2	Fresh
MPDD076	Mafuri	767,802	959,250	72	-60	360	174.3	38.0	58.0	20.0	23.2	6.8	50.8	0.24	0.00	1.2	Fresh
								76.0	112.0	36.0	23.9	6.6	49.3	0.24	0.00	1.8	Fresh
								136.0	154.0	18.0	30.3	4.4	37.3	0.10	0.00	4.5	Fresh
MPDD078	Mafuri	767,402	959,503	84	-60	360	217.8	42.0	74.0	32.0	26.4	6.1	45.9	0.20	0.00	2.3	Fresh
MPDD080	Mafuri	767,000	959,849	92	-50	360	124.1	52.0	86.0	34.0	29.3	5.0	41.2	0.11	0.00	3.6	Fresh
MPDD080A	Mafuri	767,000	959,847	93	-50	360	37.5	0.0	37.5	37.5	26.4	8.9	47.5	0.02	0.01	3.5	Oxide
MPDD081	Mafuri	767,201	960,101	113	-50	360	150.1	0.0	36.0	36.0	32.9	8.8	38.9	0.02	0.00	3.1	Oxide
								46.0	60.0	14.0	22.5	7.7	49.1	0.08	0.00	2.6	Fresh
MPDD083	Mafuri	767,201	960,000	116	-50	360	134.7	0.0	39.1	39.1	39.2	6.2	33.7	0.03	0.01	2.6	Oxide
								39.1	64.0	24.9	34.4	3.7	37.1	0.11	0.00	3.4	Fresh
MPDD086	Mafuri	767,198	959,701	88	-50	360	254.1	0.0	50.0	50.0	26.5	8.0	48.7	0.08	0.00	2.4	Oxide
								50.0	130.0	80.0	27.2	5.8	45.5	0.15	0.00	2.6	Fresh
MPRC059	Mafuri	768,403	959,504	82	-60	360	96.0	No Significant Assays									
MPRC062	Mafuri	768,401	959,298	91	-60	360	150.0	50.0	62.0	12.0	29.8	5.2	42.8	0.15	0.00	2.2	Fresh
MPRC064	Mafuri	768,399	959,201	97	-60	360	150.0	46.0	56.0	10.0	18.2	11.4	56.4	0.03	0.00	3.9	Fresh
								114.0	136.0	22.0	33.8	4.0	38.0	0.13	0.00	2.9	Fresh
MPRC065	Mafuri	768,400	959,100	97	-60	360	210.0	0.0	14.0	14.0	31.7	8.5	40.4	0.04	0.01	3.8	Oxide
								14.0	50.0	36.0	25.7	7.3	49.7	0.15	0.00	1.8	Fresh
								166.0	192.0	26.0	29.9	4.9	42.5	0.14	0.00	2.4	Fresh
MPRC067	Mafuri	768,400	959,000	93	-60	360	264.0	32.0	96.0	64.0	24.2	6.7	50.3	0.23	0.00	1.5	Fresh
								214.0	264.0	50.0	30.0	5.0	41.0	0.14	0.00	2.7	Fresh

Table 1 Continued: Drill Hole Assay Results – Mafuri Prospect

Hole Details								Intersection			Head Assay						
Hole ID	Prospect	Easting	Northing	RL	Dip	Azimuth	E.O.H.	From	To	Length	Fe	Al ₂ O ₃	SiO ₂	P	S	LOI	
		UTM WGS84 Zone 28			Degrees		m	m	m	m	%	%	%	%	%	%	
MPRC068	Mafuri	768,600	959,351	95	-60	360	102.0	No Significant Assays									
MPRC069	Mafuri	768,800	959,201	92	-60	360	147.0	54.0	84.0	30.0	27.8	5.6	44.5	0.16	0.00	2.2	Fresh
MPRC070	Mafuri	768,800	959,100	85	-60	360	188.0	118.0	168.0	50.0	31.9	4.4	40.3	0.14	0.00	2.4	Fresh
MPRC071	Mafuri	768,572	959,263	95	-60	360	126.0	0.0	18.0	18.0	17.5	13.5	53.1	0.04	0.02	4.7	Oxide
								68.0	82.0	14.0	27.1	5.4	46.5	0.13	0.00	2.1	Fresh
MPRC072	Mafuri	768,585	959,073	91	-60	360	234.0	168.0	204.0	36.0	28.7	5.2	43.6	0.16	0.00	2.3	Fresh
MPRC076	Mafuri	768,601	958,999	94	-60	360	234.0	0.0	12.0	12.0	21.8	11.9	49.0	0.05	0.01	4.3	Oxide
								184.0	222.0	38.0	29.7	4.9	44.4	0.13	0.00	1.7	Fresh
MPRC083	Mafuri	768,598	958,902	89	-60	360	282.0	0.0	30.0	30.0	22.7	10.3	50.5	0.07	0.01	3.8	Oxide
								30.0	54.0	24.0	20.0	7.5	56.3	0.22	0.00	1.3	Fresh
								212.0	268.0	56.0	28.6	5.3	45.0	0.17	0.00	2.2	Fresh
MPRC087	Mafuri	769,002	959,150	85	-60	360	180.0	No Significant Assays									
MPRC097	Mafuri	768,999	959,069	86	-60	360	238.0	24.0	108.0	84.0	27.5	6.1	44.9	0.09	0.00	3.3	Fresh
MPRC099	Mafuri	768,879	959,002	88	-60	360	222.0	164.0	200.0	36.0	31.1	4.7	40.8	0.14	0.00	2.8	Fresh
MPRC100	Mafuri	768,600	958,802	86	-60	360	308.0	12.0	34.0	22.0	21.1	9.3	54.3	0.10	0.00	2.8	Oxide
								62.0	86.0	24.0	23.5	6.7	51.2	0.25	0.00	1.2	Fresh
								244.0	298.0	54.0	25.4	6.1	48.2	0.18	0.00	1.7	Fresh
MPRC101	Mafuri	768,995	958,968	88	-60	360	207.0	102.0	176.0	74.0	27.8	5.5	46.4	0.14	0.00	2.1	Fresh
MPRC102	Mafuri	768,199	959,351	79	-60	360	150.0	20.0	54.0	34.0	26.1	6.4	45.6	0.13	0.00	2.9	Fresh
MPRC103	Mafuri	768,199	959,249	80	-60	360	148.0	84.0	114.0	30.0	28.8	4.9	42.9	0.14	0.01	3.0	Fresh
MPRC104	Mafuri	768,198	959,152	88	-60	360	190.0	20.0	42.0	22.0	23.7	7.6	50.9	0.13	0.00	1.8	Fresh
								150.0	184.0	34.0	30.3	4.7	40.9	0.13	0.00	3.0	Fresh
MPRC105		768,200	959,054	83	-60	360	144.0	68.0	94.0	26.0	25.1	6.4	48.6	0.27	0.00	1.0	Fresh
MPRC106	Mafuri	768,001	959,400	86	-60	360	84.0	0.0	20.0	20.0	23.2	8.8	52.3	0.05	0.00	3.2	Oxide
								20.0	50.0	30.0	29.3	5.6	41.6	0.12	0.00	2.9	Fresh
MPRC107	Mafuri	767,999	959,320	74	-60	360	126.0	60.0	104.0	44.0	31.5	4.8	39.6	0.14	0.00	3.0	Fresh

Table 2: Drill Hole Assay Results – Rotret Prospect

Hole Details								Intersection			Head Assay						Oretype
Hole ID	Prospect	Easting	Northing	RL	Dip	Azimuth	E.O.H.	From	To	Length	Fe	Al ₂ O ₃	SiO ₂	P	S	LOI	
		UTM WGS84 Zone 28			Degrees		m	m	m	m	%	%	%	%	%	%	
MPDD068	Rotret	769,998	957,658	83	-50	360	160.2	0.0	66.0	66.0	37.9	4.6	37.2	0.04	0.00	1.8	Oxide
								66.0	127.2	61.2	42.0	2.6	34.3	0.05	0.00	0.8	Fresh
MPDD077	Rotret	770,000	957,371	88	-50	360	214.2	86.0	98.0	12.0	33.3	4.1	37.1	0.11	0.01	2.0	Fresh
MPDD079	Rotret	769,603	957,500	96	-50	360	240.7	0.0	54.6	54.6	41.5	4.8	31.8	0.08	0.01	2.2	Oxide
								54.6	104.0	49.4	32.1	6.4	40.4	0.17	0.00	1.0	Fresh
								204.0	218.0	14.0	24.2	6.2	48.4	0.26	0.00	2.1	Fresh
MPDD082	Rotret	769,599	957,406	90	-50	360	234.8	120.0	160.0	40.0	34.4	3.8	36.1	0.16	0.00	3.4	Fresh
MPDD084	Rotret	769,802	957,605	87	-50	360	203.0	No Significant Assays									
MPDD085	Rotret	770,003	957,564	83	-50	360	269.4	166.0	186.0	20.0	31.2	4.4	40.0	0.14	0.00	3.6	Fresh
MPDD087	Rotret	769,599	958,005	97	-50	360	124.8	No Significant Assays									
MPDD087A	Rotret	769,599	958,005	97	-50	360	48.2	0.0	21.7	21.7	36.0	7.7	35.8	0.05	0.01	3.4	Oxide
MPRC050	Rotret	769,998	957,751	94	-50	360	108.0	0.0	30.0	30.0	49.1	3.0	24.6	0.03	0.00	1.4	Oxide
								30.0	38.0	8.0	27.7	6.5	48.0	0.15	0.00	1.8	Fresh
MPRC051	Rotret	770,199	957,649	81	-50	360	114.0	No Significant Assays									
MPRC052	Rotret	770,199	957,749	76	-50	360	112.0	No Significant Assays									
MPRC053	Rotret	770,000	957,462	89	-50	360	138.0	0.0	8.0	8.0	26.7	8.0	44.5	0.03	0.03	5.2	Oxide
								32.0	52.0	20.0	21.1	8.1	47.3	0.07	0.00	1.4	Fresh
								72.0	82.0	10.0	27.7	5.9	43.8	0.10	0.00	2.0	Fresh
MPRC054	Rotret	770,003	957,564	83	-50	360	108.0	2.0	12.0	10.0	41.1	5.6	31.7	0.02	0.00	2.7	Oxide
								12.0	48.0	36.0	36.9	4.7	39.5	0.05	0.00	1.6	Fresh
MPRC055A	Rotret	769,802	957,605	87	-50	360	108.0	No Significant Assays									
MPRC056A	Rotret	769,599	957,599	97	-50	360	66.0	0.0	14.0	14.0	45.2	6.4	24.2	0.05	0.03	3.6	Oxide
								14.0	26.0	12.0	39.1	6.6	33.7	0.05	0.01	2.2	Fresh
MPRC057	Rotret	769,597	957,406	88	-50	360	106.0	0.0	8.0	8.0	35.7	11.4	28.6	0.07	0.05	6.2	Oxide
								42.0	58.0	16.0	18.8	8.7	56.2	0.11	0.01	1.0	Fresh
								68.0	104.0	36.0	29.2	5.2	42.6	0.09	0.00	3.3	Fresh

Table 2 Continued: Drill Hole Assay Results – Rotret Prospect

Hole Details								Intersection			Head Assay						Oretype
Hole ID	Prospect	Easting	Northing	RL	Dip	Azimuth	E.O.H.	From	To	Length	Fe	Al ₂ O ₃	SiO ₂	P	S	LOI	
		UTM WGS84 Zone 28				Degrees	m	m	m	m	%	%	%	%	%	%	
MPRC061	Rotret	769,800	957,999	85	-50	360	96.0	No Significant Assays									
MPRC063	Rotret	769,800	957,898	90	-50	360	114.0	0.0	32.0	32.0	39.7	6.2	33.0	0.04	0.01	2.3	Oxide
MPRC073	Rotret	769,600	957,918	86	-50	360	120.0	20.0	64.0	44.0	29.3	7.1	46.4	0.05	0.00	2.3	Fresh
MPRC074	Rotret	769,397	958,050	98	-50	360	113.0	0.0	12.0	12.0	28.8	8.3	45.1	0.03	0.02	3.7	Oxide
MPRC075		769,398	957,949	87	-50	360	81.0	0.0	40.0	40.0	30.2	7.3	44.8	0.03	0.01	2.4	Oxide
								40.0	52.0	12.0	25.2	8.2	50.1	0.05	0.00	2.2	Fresh
MPRC077	Rotret	769,201	957,998	85	-50	360	126.0	72.0	106.0	34.0	22.1	7.3	51.7	0.25	0.00	1.5	Fresh
MPRC078	Rotret	769,200	957,899	79	-50	360	144.0	100.0	124.0	24.0	20.8	7.6	52.5	0.28	0.00	1.8	Fresh
MPRC079	Rotret	769,199	958,098	92	-50	360	114.0	24.0	54.0	30.0	23.3	7.4	50.5	0.24	0.00	1.9	Fresh
MPRC080	Rotret	769,000	958,252	93	-50	360	126.0	44.0	72.0	28.0	19.5	8.5	54.9	0.27	0.00	1.7	Fresh
MPRC081	Rotret	769,001	958,150	91	-50	360	120.0	106.0	120.0	14.0	20.2	7.7	54.7	0.28	0.00	1.3	Fresh

Table 3: Drill Hole Assay Results – Gafal South Prospect

Hole Details								Intersection			Head Assay						Oretype
Hole ID	Prospect	Easting	Northing	RL	Dip	Azimuth	E.O.H.	From	To	Length	Fe	Al ₂ O ₃	SiO ₂	P	S	LOI	
UTM WGS84 Zone 28 (m)								m	m	m	%	%	%	%	%	%	
MPRC044	Gafal S.	771,000	958,202	87	-50	90	144.0	0	38	38	20.3	9.8	54.0	0.23	0.01	3.2	Oxide
								46	56	10	17.6	10.6	55.3	0.47	0.00	3.0	Oxide
								62	144	82	27.0	6.1	47.6	0.31	0.00	1.7	Fresh
MPRC045	Gafal S.	771,098	958,205	90	-50	90	114.0	0	18	18	23.9	9.4	50.2	0.05	0.00	3.2	Oxide
								18	58	40	30.0	6.8	45.6	0.08	0.00	2.0	Fresh
								66	106	40	26.1	6.5	47.7	0.23	0.00	2.0	Fresh
MPRC046	Gafal S.	771,190	958,207	86	-50	90	102.0	0	8	8	29.5	11.7	36.8	0.04	0.04	7.0	Oxide
MPRC047	Gafal S.	771,053	957,999	86	-50	90	132.0	60	118	58	24.1	6.4	50.4	0.25	0.06	2.0	Fresh
MPRC048	Gafal S.	770,951	958,000	83	-50	90	126.0	22	34	12	25.2	7.0	52.5	0.06	0.00	1.9	Oxide
	Gafal S.							66	110	44	24.1	6.5	52.4	0.31	0.00	1.4	Fresh
MPRC049	Gafal S.	771,150	958,000	84	-50	90	48.0	No Significant Assays									
MPRC058	Gafal S.	771,004	957,799	86	-50	90	90.0	32	84	52	24.4	8.3	51.1	0.10	0.00	2.1	Fresh
MPDD074	Gafal S.	771,000	958,202	87	-50	90	316.0	144	284	140	23.9	6.4	49.0	0.27	0.00	2.0	Fresh
MPDD075	Gafal S.	770,951	958,000	83	-50	90	294.2	148	178	30	25.1	6.2	47.9	0.23	0.00	2.0	Fresh
								208	268	60	22.4	6.8	51.3	0.26	0.00	1.9	Fresh
								282	290	8	18.1	8.3	53.8	0.29	0.00	2.0	Fresh

Notes: Lower cut-off 15% Fe, minimum intersection 8m, maximum 5m of internal waste. Hole collars surveyed by DGPS. Sample intervals are 2m composites except some diamond holes where selected sample lengths were varied to fit lithological boundaries. Intersections are down hole lengths, not true widths. Chemical analysis by X-ray Fluorescence Spectrometry (XRF) by Ultra Trace Limited at Canning Vale laboratory, Perth Australia.