

EQUATORIAL RESOURCES JOINS CAPE LAMBERT RESOURCES AS MAJOR SHAREHOLDERS OF AFRICAN IRON LIMITED

Australian resources and investment company, Cape Lambert Resources Limited (ASX:CFE) ("**Cape Lambert**" or "the **Company**") notes with interest the ASX announcement released by Equatorial Resources Limited (ASX:EQX) ("**Equatorial**") this morning in which Equatorial advised that it has acquired a stake of 19.9% in African Iron Limited (ASX:AKI) ("**African Iron**").

Equatorial advised that it acquired this stake in African Iron via off-market transactions at an average price of approximately 30 cents per African Iron share. This represents a 40% premium to the 5 day volume weighted average price of 21.04 cents per African Iron share.

Cape Lambert currently has a 25% interest in African Iron.

African Iron holds an 80% interest in the Mayoko Iron Ore Project ("**Mayoko**") in the Republic of Congo, West Africa.

Mayoko comprises a 1,000km² exploration licence located approximately 300km north east of the Atlantic sea port city of Pointe Noire. African Iron has access to a heavy haulage mineral railway (within 2km of the project), port facilities and stockpile areas at Pointe Noire providing a significant capital expenditure advantage compared against its peers.

African Iron's strategy is to move into initial production from the Mayoko Project with a planned steady state 5 Million tonnes per annum ("Mtpa") direct shipping ore ("DSO") by mid-2013 (potential increase to 10Mtpa) over a +10 year mine life. This is complemented by "beneficiable" DSO ("bDSO") with a substantial magnetite mine life thereafter.

Equatorial holds a project in the vicinity of Mayoko, the Mayoko-Moussondi Iron Ore Project, which is only in the grassroots exploration stage.

Commenting on the Equatorial announcement, Cape Lambert Executive Chairman Tony Sage said, "The Cape Lambert investment model is to acquire substantial stakes in companies or assets that over time can be realised in a manner that achieves maximum value to the Company and its shareholders.

"The investment in African Iron represents a strategic investment for the Company, one which will realise significant value to the Company as the Mayoko Project evolves and achieves its production targets.

"While we acknowledge that Equatorial has acquired a major stake in African Iron, we would like to reiterate our long-term commitment to the board and shareholders of African Iron.

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
626,299,603

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

Cape Lambert Contact

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“We see this move as purely opportunistic by Equatorial, given African Iron’s strategy to commence production within 18 months, following which it is the Company’s expectation that African Iron’s market capitalisation would be up to A\$1 billion based on other similar iron ore producers” Mr Sage added.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman