

SHANDONG IRON & STEEL GROUP SIGN VARIOUS AGREEMENTS WITH AFRICAN MINERALS FOR US\$1.5BN INVESTMENT

Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) ("Cape Lambert" or the "Company") notes the announcement on 1 August 2011 by AIM listed African Minerals Limited (AIM: AMI) ("African Minerals") in respect of a major Chinese investment in its Tonkolili iron ore project, located in Sierra Leone, West Africa ("Tonkolili" or "Tonkolili Project") (refer Figure 1).

Tonkolili is located approximately 100km east-north-east of the Company's Marampa iron ore project ("Marampa" or "Marampa Project"), and approximately 125km east-south-east of its Kukuna iron ore project, both located in Sierra Leone (refer Figure 1).

African Minerals announced that it had executed various agreements with Shandong Iron & Steel Group Co. Ltd ("Shandong") to invest US\$1.5 billion in return for a 25% shareholding in the Tonkolili Project. The agreement with Shandong also includes certain discounted off-take arrangements in respect of iron ore produced from Tonkolili.

A full copy of the announcement can be located on AIM or on African Minerals' website.

Cape Lambert has an agreement with African Minerals whereby African Minerals will provide third party access rights on commercial terms to transport up to 2 million tonnes per annum ("Mtpa") of iron ore production from the Marampa Project on the existing Marampa railway via Pepel Port. Cape Lambert has a right to increase this transport capacity to 5Mtpa once the Tonkolili Railway and Tagrin port are in full operation.

Commenting on the transaction between African Minerals and Shandong, Cape Lambert Executive Chairman, Mr Tony Sage, said:

"The investment by Shandong will also benefit the Marampa Project by providing funding to African Minerals to further develop the Tonkolili Project and supporting infrastructure".

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

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
626,399,603

Unlisted Options
7,750,000 (\$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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