

A\$46.5 MILLION SALE OF SAPPES GOLD PROJECT

Key Points:

- **Cape Lambert to sell the Sappes Gold Project to Glory Resources Limited for a total consideration of A\$46.5 million.**
- **Completion is conditional on, amongst other things, Glory Resources raising A\$42.5 million, re-complying with Chapters 1 and 2 of the ASX Listing Rules and obtaining its shareholders approval.**
- **On successful completion, the sale of Sappes will result in Cape Lambert having received approximately A\$250 million from asset sales in the past 24 months.**

Australian resources and investment company, Cape Lambert Resources Limited (ASX: CFE) ("Cape Lambert" or the "Company") has signed a binding heads of agreement with Glory Resources Limited (**ASX: GLY**) ("Glory Resources") for the sale of the Sappes Gold Project ("Sappes Project") for a total consideration A\$46.5million ("Heads of Agreement").

Pursuant to the terms of the Heads of Agreement, Glory Resources will satisfy the consideration as follows:

- A\$32,500,000 in cash on completion of the acquisition;
- 16,000,000 shares in Glory Resources ("Glory Resources Shares") on completion of the acquisition;
- A\$5,000,000 in cash or Glory Resources Shares, at the election of Glory Resources, on the granting of an operating permit (or equivalent) in respect of the Sappes Project; and
- A\$5,000,000 in cash or Glory Resources Shares, at the election of Glory Resources, upon the sale of the first 1,000oz of gold (or gold equivalent in the case of copper concentrate and/or silver metal) from the Sappes Project.

The acquisition of the Sappes Project by Glory Resources is subject to a number of conditions including governmental approvals and Glory Resources obtaining its shareholders' approval for the acquisition, re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing a capital raising of

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
630,149,603

Unlisted Options
4,000,000 (\$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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A\$42,500,000. All conditions must be satisfied or waived by 31 December 2011 with completion of the acquisition to take place 5 business days thereafter.

The Sappes Project is a gold development project located on a granted mining lease in north eastern Greece approximately 30km northwest of the Aegean Sea port city of Alexandroupoulos. The Project has recently submitted its preliminary environmental impact study to the Ministry of Environment, Energy and Climate Change as a first step to securing an operating permit and commencing construction.

Cape Lambert acquired the Sappes Project as part of its successful A\$135million bid for the assets of CopperCo Limited in June 2009. On completion of the sale of the Sappes Project, Cape Lambert will have realised approximately A\$250 million from CopperCo asset sales in the past 24 months.

Cape Lambert Executive Chairman, Mr Tony Sage said "Cape Lambert's focus is on iron ore and base metals, and this sale provides the best outcome for the delivery of value to our shareholders and an operating gold project to the benefit of stakeholders and our host, the Greek government whilst still keeping a stake in the significant upside this project can deliver over the coming years."

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman