

CAPE LAMBERT TO INCREASE PINNACLE INTEREST TO 100%

Key Points:

- **Cape Lambert to increase its interest in Pinnacle Group Assets Limited (“Pinnacle”) to 100%;**
- **Pinnacle’s key assets are the Kukuna iron ore project located in Sierra Leone and the Sandenia iron ore project, located in the Republic of Guinea;**
- **Consideration for the remaining 9.8% of Pinnacle will comprise of A\$5million in cash and the issue of 20,672,189 Cape Lambert shares at a deemed issue price of A\$0.53, which is a premium of 9% to the closing share price on 8 September 2011 of A\$0.485.**

Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) (“Cape Lambert” or the “Company”) is pleased to announce it has entered into an agreement to acquire the remaining interest in Pinnacle Group Assets Limited (“Pinnacle”), which will result in the Company holding 100% of Pinnacle (“Agreement”).

On 19 May 2011, the Company announced that it had entered into an agreement to acquire approximately 42% of Pinnacle, taking the Company’s interest to 90.2% (“19 May Announcement”).

Pinnacle owns the Kukuna Iron Ore Project located in Sierra Leone (“Kukuna Project”) and the Sandenia Iron Ore Project located in the Republic of Guinea (“Sandenia Project”). Further details on the Kukuna Project and Sandenia Project are set out in the 19 May Announcement.

Pursuant to the terms of the Agreement, the Company will acquire the remaining 9.8% of Pinnacle in consideration for:

- (a) A\$5million in cash; and
- (b) the issue of 20,672,189 fully paid ordinary shares in the Company (“Shares”) at a deemed issue price of A\$0.53, which is a premium of 9% to the closing Share price on 8 September 2011 of A\$0.485. The Shares will be escrowed for a period of 3 months from the date of issue.

Settlement of the remaining 9.8% is expected to take place in the coming days.

Cape Lambert Executive Chairman, Tony Sage said “this is an important acquisition as Cape Lambert now holds a 100% interest in two potentially large

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
631,399,603

Unlisted Options
2,750,000 (\$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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scale iron ore projects in the emerging West African iron ore province, which will expose Cape Lambert shareholders to a conceivably significant value uplift.”

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman