

## **Satisfaction of Deferred Consideration for Pinnacle Acquisition**

Further to its announcements to ASX on 19 May 2011, 16 June 2011 and 13 September 2011, Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) ("Cape Lambert" or the "Company") advises that it has now satisfied the deferred consideration for the acquisition of shares in Pinnacle Group Assets Limited that completed in June 2011 ("Pinnacle").

On 17 May 2011, the Company announced that it had entered into an agreement to acquire 42.8% of Pinnacle ("Pinnacle Agreement"). Pursuant to the terms of the Pinnacle Agreement, the Company was required to satisfy a deferred consideration of A\$16,335,000 in cash or in Cape Lambert shares ("Shares") plus 10% interest at a deemed issue price per Share equal to the volume weighted average price of Shares traded on ASX in the 5 trading days before 31 December 2011 (**Deferred Consideration**).

The Company has negotiated with the vendor to satisfy the Deferred Consideration by the issue of 35,937,000 Shares at a deemed issue price of \$0.50 per Share.

No further obligations are owing by the Company in respect of the acquisition of Pinnacle, which is now a 100% subsidiary of the Company.

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 Quarterly Activities Report and Appendix 5B released on 31 October 2011.

Attached is an Appendix 3B for quotation of the 35,937,000 Shares issued in satisfaction of the Deferred Consideration. The Shares are part of a class of securities quoted on ASX Limited.

The Company gives this notice pursuant to Section 708A(5)(e) of the Corporations Act.

The Shares were issued without disclosure to the recipient under Part 6D.2, in reliance on Section 708A(5) of the Corporations Act.

The Company, as at the date of this notice, has complied with:

- (a) The provisions of Chapter 2M of the Corporations Act; and

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  
688,108,792

### **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**

Tony Sage  
Executive Chairman

Eloise von Puttkammer  
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### **Australian Enquiries**

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(b) Section 674 of the Corporations Act.

There is no excluded information for the purposes of Section 708A(7) and (8) of the Corporations Act.

Yours faithfully  
Cape Lambert Resources Limited

Tony Sage  
**Executive Chairman**

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

CAPE LAMBERT RESOURCES LIMITED

ABN

71 095 047 920

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |                            |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued   | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 35,937,000                 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares |

+ See chapter 19 for defined terms.

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**New issue announcement**

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes.</p>				
<p>5 Issue price or consideration</p>	<p>Nil cash consideration but a deemed issue price of \$0.50 per share.</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Satisfaction of deferred consideration for the acquisition of shares in Pinnacle Group Assets Limited</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>1 December 2011</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1444 997 1489">Number</th> <th data-bbox="997 1444 1283 1489">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1489 997 1709">688,108,792</td> <td data-bbox="997 1489 1283 1709">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	688,108,792	Fully paid ordinary shares
Number	+Class				
688,108,792	Fully paid ordinary shares				

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)		
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	N/A	
12 Is the issue renounceable or non-renounceable?	N/A	
13 Ratio in which the +securities will be offered	N/A	
14 +Class of +securities to which the offer relates	N/A	
15 +Record date to determine entitlements	N/A	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A	
17 Policy for deciding entitlements in relation to fractions	N/A	
18 Names of countries in which the entity has +security holders who will not be sent new issue documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A	
19 Closing date for receipt of acceptances or renunciations	N/A	

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20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

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- 32 How do +security holders dispose of their entitlements (except by sale through a broker)? N/A
- 33 +Despatch date N/A

### **Part 3 - Quotation of securities**

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)
- (a)  Securities described in Part 1
- (b)  All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### **Entities that have ticked box 34(a)**

#### **Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

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**Entities that have ticked box 34(b)**

38 Number of securities for which  
 +quotation is sought

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39 Class of +securities for which  
 quotation is sought

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40 Do the +securities rank equally in all  
 respects from the date of allotment  
 with an existing +class of quoted  
 +securities?

If the additional securities do not  
 rank equally, please state:

- the date from which they do
- the extent to which they  
 participate for the next dividend,  
 (in the case of a trust,  
 distribution) or interest payment
- the extent to which they do not  
 rank equally, other than in  
 relation to the next dividend,  
 distribution or interest payment

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41 Reason for request for quotation  
 now

Example: In the case of restricted securities, end of  
 restriction period

(if issued upon conversion of  
 another security, clearly identify that  
 other security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 38)		

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### **Quotation agreement**

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

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- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
  
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: ..... Date: .....02/12/2011.....  
(Company secretary)

Print name: ...CLAIRE TOLCON.....

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+ See chapter 19 for defined terms.