ASX Announcement
13 July 2012

MARAMPA EXPLORATION TARGET INCREASED TO 1.0-1.2 BILLION TONNES

Key Points:

- **Encouraging exploration drill results at Marampa Project including:**
  - **MPDD107: 44m at 28.8% Fe from 114m at Mafuri,**
  - **MPRC166: 34m at 38.0% Fe from surface, and**
  - **MPRC144: 50m at 31.8% Fe from 16m at Makambo.**
- **Revised structural model of mineralisation by SRK reveals significant additional exploration upside at the Mafuri and Gafal deposits.**
- **Updated Exploration Target[1] for Marampa of 300–570 million tonnes at 21% - 32% Fe, for an aggregate 1.0–1.25 billion tonnes at 20% – 38% Fe including the July 2011 Mineral Resource.**
- **Exploration Target includes 6–14 million tonnes at 25% - 37% Fe of shallow, higher grade oxide mineralisation.**
- **Continued metallurgical testwork confirms that premium iron concentrates >65% Fe can be produced with a WHIMS processing circuit.**

Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) ("Cape Lambert" or the "Company") is pleased to announce further positive exploration results and an increase in the Exploration Target[1] from its 100% owned Marampa Iron Ore Project located in Sierra Leone, West Africa ("Marampa Project" or "Marampa") (Figure 1).

Background

The Marampa Project hosts a total Indicated and Inferred Mineral Resource of 680Mt at 28.2% Fe ("Marampa Resource Estimate" - refer ASX announcement dated 7 July 2011 for details). The Marampa Resource Estimate covers the Matukia, Gafal, Mafuri and Rotret deposits and is based on drilling and assaying (to maximum depth of -200mRL) completed to 30 May 2011.

Subsequent to 30 May 2011, the Company has completed additional exploration at Marampa including extension drilling at the Mafuri deposit,

[1] The estimates of Exploration Target sizes should not be misunderstood as estimates of Mineral Resources. The estimates of Exploration Target sizes are conceptual in nature and there has been insufficient results received from drilling to date to estimate a Mineral Resource in accordance with the JORC Code (2004). It is uncertain if further exploration will result in the determination of a Mineral Resource.

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
689,108,792

Unlisted Options
7,800,000 ($0.45 exp 30 Nov 2012)

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
International Goldfields Limited

Cape Lambert Contact

Tony Sage
Executive Chairman

Eloise von Puttkammer
Investor Relations

Phone: +61 8 9380 9555
Email: info@capelam.com.au

Australian Enquiries

Professional Public Relations
David Tasker
Phone: +61 8 9388 0944
Mobile: +61 433 112 936
Email: david.tasker@ppr.com.au

UK Enquiries

Tavistock Communications
Emily Fenton / Jos Simson
Phone: +44 (0)207 920 3150
Mobile: +44 (0)7899 870 450

scout drilling at the Makambo prospect, and detailed structural modelling of the four resource deposits. This structural work is to underpin the design of an optimum resource definition drilling program to increase resource confidence and define ore reserves for project development.

Drilling

Mafuri

A total of 1,438m of diamond (10 holes) and 1,168m of reverse circulation ("RC") (9 holes) additional drilling and assaying have been completed at Mafuri, which were not included in the Marampa Resource Estimate. Drill hole locations and assay results are shown in Figure 2 and Table 1 respectively. Significant intersections of specular hematite mineralisation include:

- MPDD107: 44m at 28.8% Fe from 114m;
- MPDD113: 40m at 26.9% Fe from 94m; and
- MPDD112: 28m at 32.3% Fe from 130m.

These results confirm the continuation of hematite mineralisation to the west of Mafuri over a strike of 800m. This mineralisation remains open along strike and at depth.

Makambo

A total of 6,673m (47 RC holes) were drilled at the Makambo prospect. The results of these holes have not been included in the Marampa Resource Estimate, although results were previously used to determine an Exploration Target for the prospect. Drill hole locations and assay results are shown in Figure 3 and Table 2 respectively. Significant intersections of specular hematite mineralisation include:

- MPRC144: 50m at 31.8% Fe from 16m;
- MPRC154: 26m at 34.0% Fe from 30m;
- MPRC155: 44m at 26.8% Fe from 48m;
- MPRC166: 34m at 38.0% Fe from surface; and
- MPRC193: 48m at 25.5% Fe from 20m.

Drilling confirmed the existence of mineralised specular hematite schist at relatively shallow depths. There were also a number of intersections from surface suggesting that there may be a mineralised transported deposit over the area. None of the identified mineralisation has been closed along strike or at depth and due to the limited diamond drilling and outcrop, structural information is not yet available. Follow up exploration will include diamond drilling for structural interpretation and to collect samples for metallurgical test work.

Structural Evaluation

Late in 2011 the Company commissioned independent consulting geologists, SRK Cardiff UK ("SRK") to complete a structural analysis and model of the specular hematite mineralisation of the Matukia, Gafal, Mafuri and Rotret resource deposits, and to recommend further exploration drilling and a program of resource definition drilling for Feasibility Study.

During the 2010-2011 drilling programs, the Company collected a significant amount of data from oriented diamond drill core. This required assessment prior to designing a full resource definition drilling program, including geotechnical drilling, to underpin definition of reserves for the proposed Stage 1 and Stage 2 open pit mine developments.

SRK completed this work in May 2012, which resulted in the generation of a more refined structural control interpretation for the hematite mineralisation. In particular, SRK have proposed that the Mafuri-Gafal West mineralisation is hosted in a tight isoclinal synform with the axis trending east-southeast (refer Figure 4). Some segments of this fold have not been tested, especially the southern limb (refer Figures 4, 5 and 6). SRK have also proposed a conceptual alternative to the continuation of the southern limb at Mafuri (refer Figures 2 and 4).

Updated Exploration Target

The Company has previously reported an Exploration Target[2] of 0.7–1.0 billion tonnes which included the Marampa Resource Estimate (refer ASX announcement 6 February 2012). Based on drilling completed since mid-2011, and utilising the May 2012 SRK structural models, the Company has revised the total Exploration Target[2] to between 300–570 million tonnes at 21% - 32% Fe, for an aggregate 1.0–1.25 billion tonnes at 20% – 38% Fe when including the Marampa Resource Estimate. Details of the updated Exploration Target estimates are:

- A total Exploration Target[2] of 230–430 million tonnes at 20% – 35% Fe at the Mafuri, Gafal and Matukia deposits including 6–14 million tonnes at 25% – 37% Fe oxide mineralisation. This total includes potential fresh mineralisation above 200mRL (87%) and from 200 – 250mRL (10%); and
- A total Exploration Target[2] of 65–140 million tonnes at 19% – 38% Fe at the Makambo, Petifu and Toma prospects.

Further Exploration Work

Exploration drilling is now being planned to increase the Marampa resource inventory, in tandem with the design of a Feasibility resource definition drilling program.

Continued Metallurgical Testwork

Following on from the 2011 metallurgical testwork program, additional locked cycle testing ("LCT") to evaluate the various ore types from each of the deposits has continued, based on the process flowsheet developed in the September 2011 Scoping Study (refer ASX Announcement dated 20 September 2011). Additional LCT's have been completed on fresh ore composite samples from the Matukia deposit and have confirmed the ability to produce iron concentrates >65% Fe with low levels of deleterious elements, whilst maintaining iron recovery at approximately 86-88%. The results are shown in the following table.

Composite Sample	Feed Grade % Fe	Concentrate Grade					Mass Recovery %	Iron Recovery %
		Fe %	SiO_2 %	Al_2O_3 %	P %	S %		
Matukia Fresh - Cluster 2	33.14	66.0	2.17	0.74	0.008	0.003	43.4	86.5
Matukia Fresh - Cluster 6	33.16	66.0	2.25	0.66	0.009	0.004	44.1	87.8

[2] The estimates of Exploration Target sizes should not be misunderstood as estimates of Mineral Resources. The estimates of Exploration Target sizes are conceptual in nature and there has been insufficient results received from drilling to date to estimate a Mineral Resource in accordance with the JORC Code (2004). It is uncertain if further exploration will result in the determination of a Mineral Resource.

Comminution variability testing of the various ore types at Marampa continues to progress, with the results confirming the parameters used for the process plant design in the September 2011 Scoping Study.

The Company's Executive Chairman Mr Tony Sage said "I am extremely pleased that the exploration work at Marampa continues to confirm the significant potential of the Marampa Project."

The Company has previously announced that it had commenced the process for pursuing an Initial Public Offering and listing of the Marampa iron ore project on the AIM market of the London Stock Exchange (**Marampa IPO**).

Having regard to the current uncertainty, and volatile nature of world capital markets, the Company has deferred commencing the Marampa IPO until at 2012 least September 2012 following the London Olympics and summer holidays in the northern hemisphere.

However, consistent with its business model, during this deferral period, the Company will continue to respond to interest received from third parties in respect to a possible asset level sale of Marampa.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

Competent Person Statement:

The contents of this announcement relating to exploration results and Mineral Resources are based on information compiled by Dennis Kruger, a member of the Australasian Institute of Mining and Metallurgy. Mr Kruger is a consultant to Cape Lambert Resources Limited and has sufficient experience relevant to the styles of mineralisation and the deposit under consideration to qualify as a Competent Person, as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Kruger consents to the inclusion in this announcement of the matters compiled by him in the form and context in which they appear.

The contents of this announcement relating to metallurgy are based on information compiled by Mike Wort, a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Wort is a consultant to Cape Lambert Resources Limited and has sufficient experience relevant to the styles of mineralisation and the deposit under consideration and to the activity he is undertaking to qualify as a Competent Person, as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Wort consents to the inclusion in this announcement of the matters compiled by him in the form and context in which they appear.

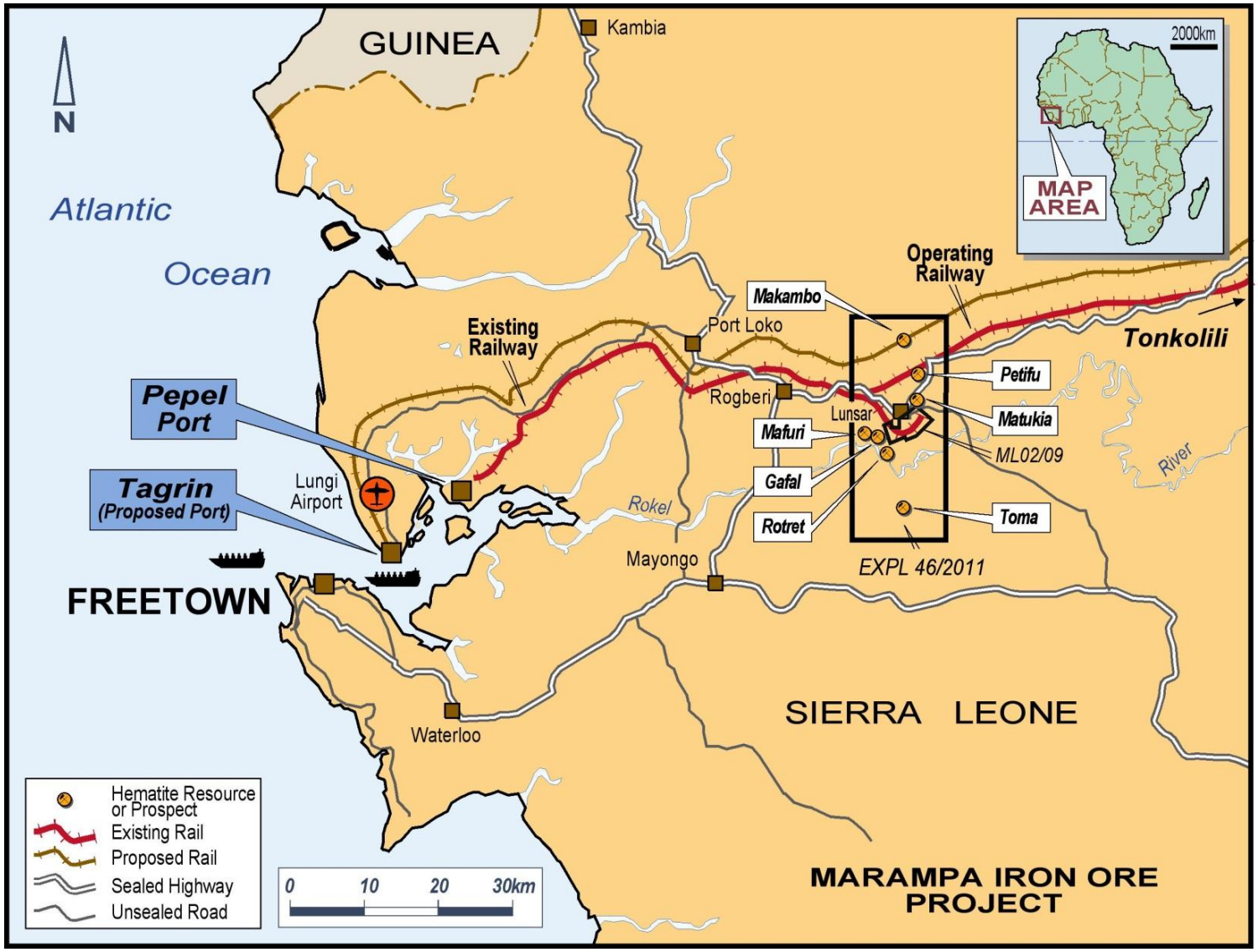

Figure 1: Project Location

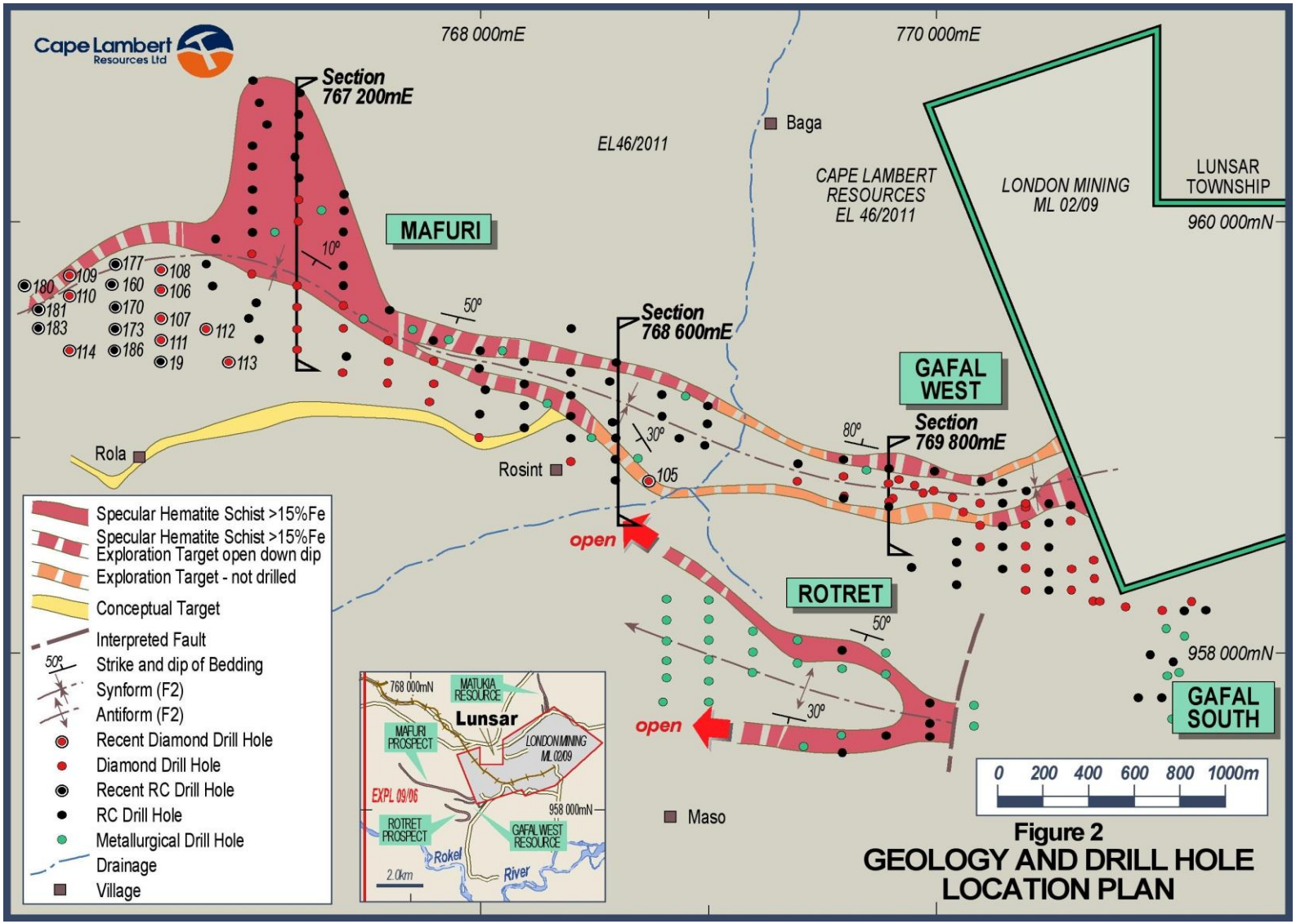

Figure 2: Geology and Drill Hole Location at Mafuri, Gafal and Rotret

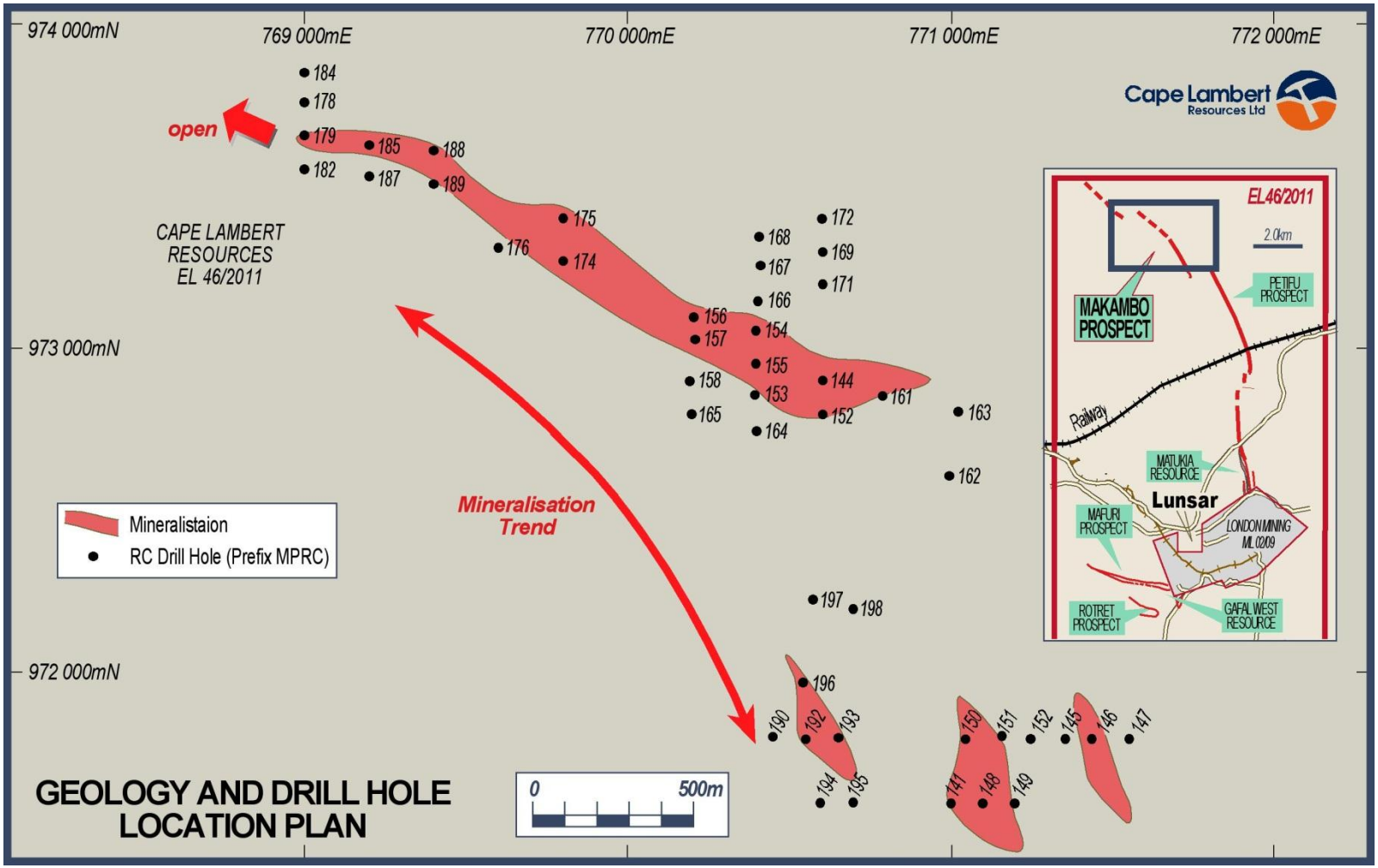

Figure 3: Geology and Drill Hole Location Makambo

Figure 4: Mafuri Cross Section

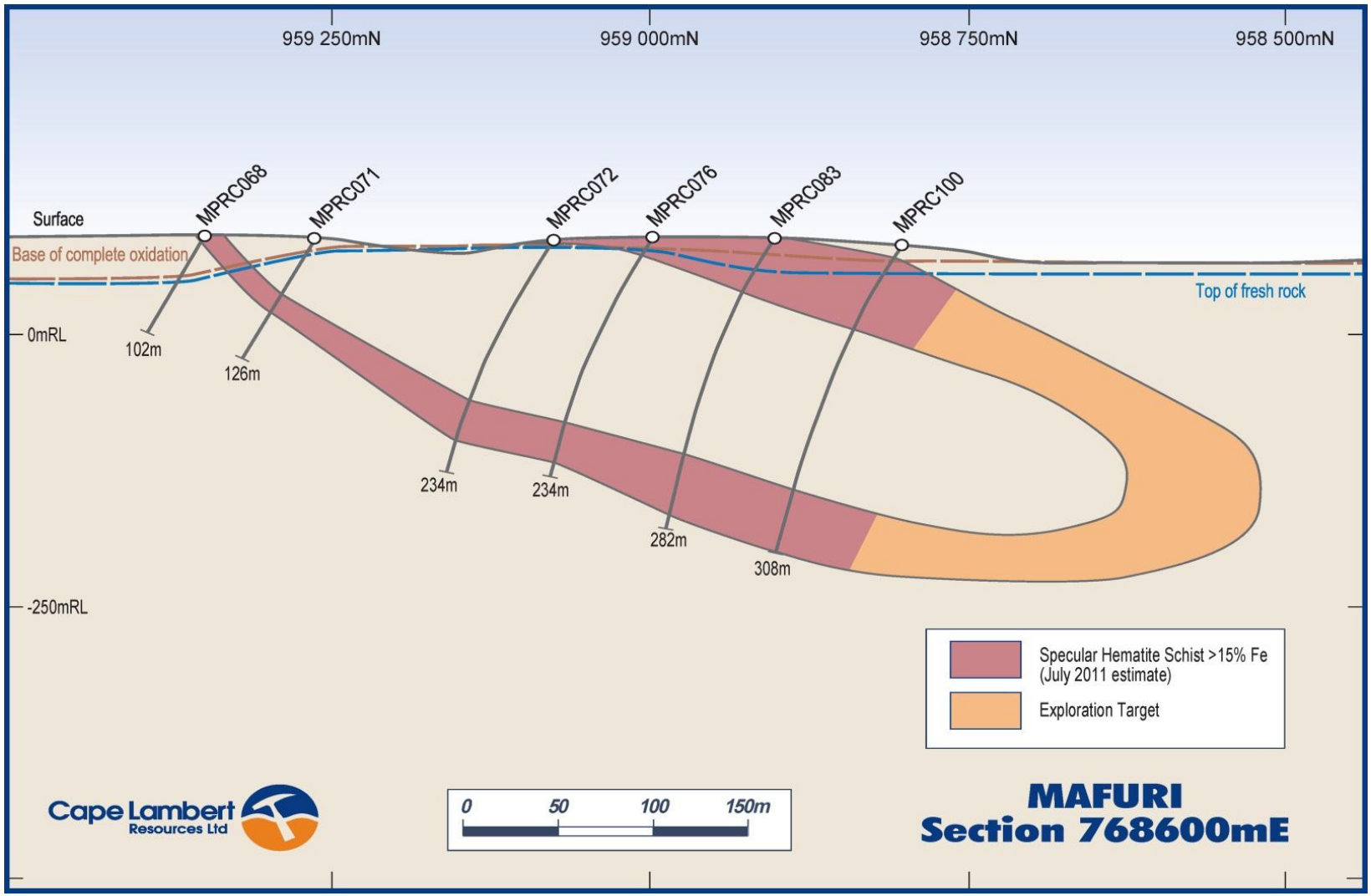

Figure 5: Mafuri Cross Section

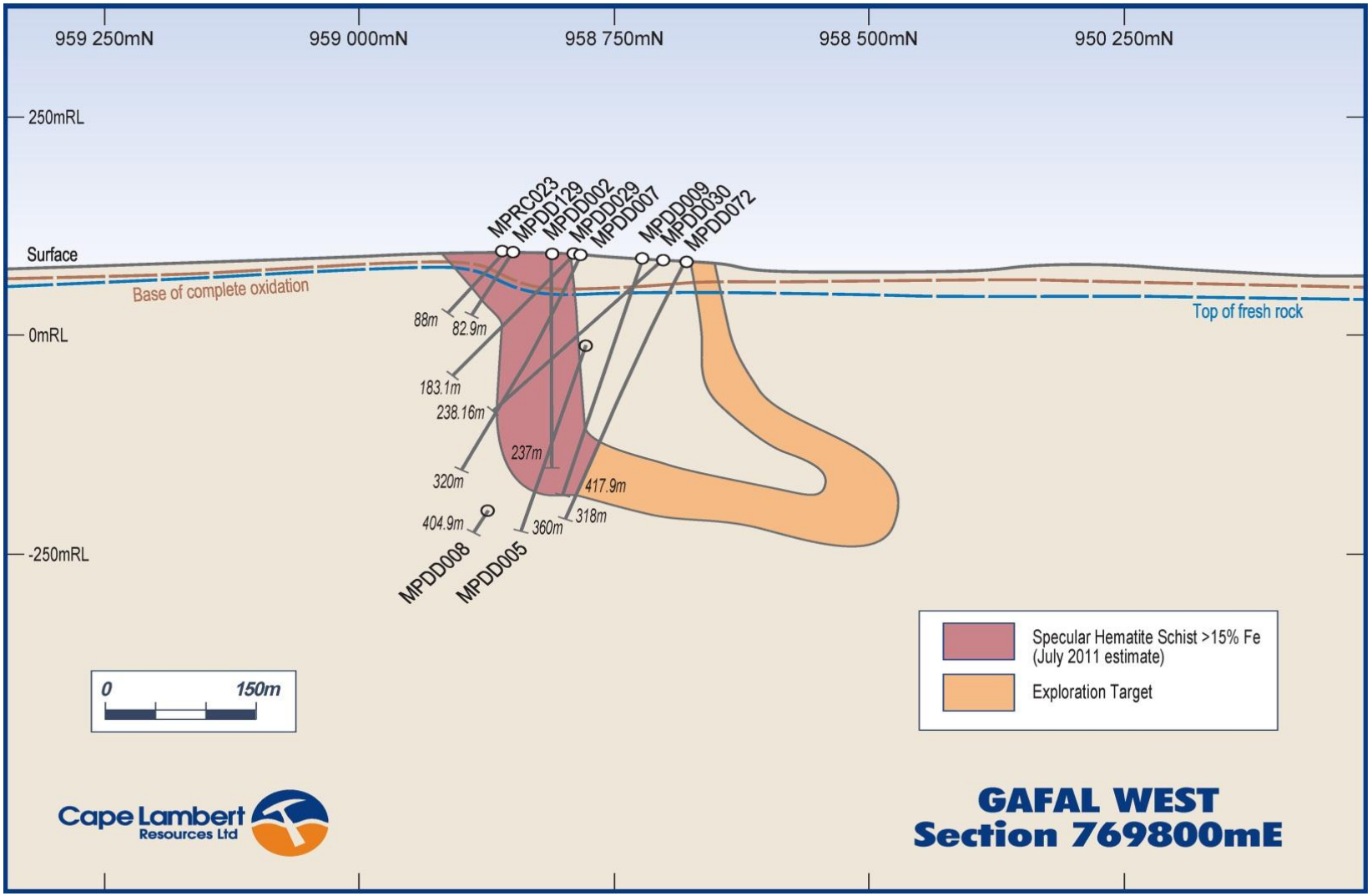

Figure 6: Gafal West Cross Section

Table 1: Mafuri Deposit – Hematite Schist Drill Intersections.

Hole Details							Intersection			Head Assay					LOI	Oxidation State
Hole ID	Easting	Northing	RL	Dip	Azimuth	E.O.H	From	To	Length	Fe	Al_2O_3	SiO_2	P	S	%	
	UTM WGS84 Zone 28				*Degrees*	*m*	*m*	*m*	*m*	*%*	*%*	*%*	*%*	*%*		
MPDD106	766,603	959,680	70	-50	360	157.65	78	90	12	22.1	7.4	51.2	0.15	0.001	1.7	Fresh
							94	110	16	26.7	6.0	43.8	0.09	0.001	3.7	Fresh
MPDD107	766,601	959,549	73	-50	360	181.9	114	158	44	28.8	5.4	42.0	0.11	0.001	3.4	Fresh
MPDD108	766,602	959,773	69	-50	360	113.7	34	62	28	22.8	7.1	49.3	0.15	0.001	2.3	Fresh
							70	74	4	28.2	5.4	39.6	0.09	0.001	4.2	Fresh
MPDD109	766,202	959,749	84	-50	360	117.1	0	16	16	23.9	11.7	47.4	0.02	0.020	5.0	Oxide
MPDD110	766,202	959,649	79	-51	360	116	44	52	8	21.7	6.9	51.1	0.13	0.001	2.5	Fresh
MPDD111	766,601	959,449	72	-51	360	167.6	134	152	18	31.5	4.3	38.8	0.11	0.001	3.6	Fresh
MPDD112	766,801	959,499	69	-51	360	169.6	106	120	14	22.5	6.8	50.4	0.13	0.001	2.1	Fresh
							130	158	28	32.3	4.3	38.1	0.12	0.001	3.4	Fresh
MPDD113	766,902	959,347	68	-51	360	146	76	84	8	25.8	5.5	45.1	0.17	0.002	3.3	Fresh
							94	134	40	26.9	5.7	45.7	0.16	0.001	2.4	Fresh
MPDD114	766,803	959,398	71	-50	360	115.5	70	76	6	21.2	7.4	52.2	0.16	0.001	2.1	Fresh
							80	90	10	23.4	6.7	41.9	0.10	0.001	4.1	Fresh
MPRC160	766,386	959,704	73	-55	360	126	74	78	4	22.6	6.6	50.4	0.15	0.004	1.8	Fresh
							86	92	6	22.7	6.4	42.8	0.08	0.001	4.3	Fresh
MPRC170	766,402	959,599	76	-55	360	137	96	104	8	20.1	7.5	54.1	0.16	0.003	1.6	Fresh
							108	118	10	29.0	4.9	39.9	0.10	0.001	4.0	Fresh
MPRC173	766,401	959,498	78	-56	360	149	110	114	4	19.8	7.3	54.0	0.14	0.009	2.1	Fresh
							116	124	8	29.7	3.9	41.7	0.09	0.006	3.3	Fresh
MPRC177	766,403	959,798	77	-55	360	102	40	46	6	25.5	6.4	47.9	0.17	0.003	1.7	Fresh
							54	62	8	26.0	6.5	42.8	0.08	0.001	3.3	Fresh
MPRC181	766,067	959,586	73	-55	360	102	8	18	10	28.2	7.0	48.2	0.03	0.004	2.1	Oxide
							30	34	4	20.4	7.6	50.9	0.08	0.001	3.0	Fresh
MPRC183	766,068	959,501	70	-55	360	108	20	28	8	19.7	7.8	54.4	0.14	0.001	1.8	Fresh
							40	44	4	20.2	7.6	50.3	0.07	0.001	4.0	Fresh
MPRC186	766,401	959,398	78	-53	360	174	108	114	6	29.9	5.6	44.3	0.09	0.005	1.2	Fresh
							126	134	8	27.9	5.2	45.8	0.06	0.002	2.4	Fresh
MPRC191	766,603	959,349	72	-54	360	168	116	122	6	24.5	6.3	50.0	0.09	0.004	1.4	Fresh
							128	148	20	29.7	4.6	43.5	0.07	0.003	2.2	Fresh

Notes: Lower cut-off 15% Fe, minimum intersection 4m, maximum 5m internal waste. Hole collars surveyed by DGPS. Sample intervals are 2m composites except some diamond holes where selected sample lengths were varied to fit lithological boundaries. Intersections are down hole lengths, not true widths. Chemical analysis by X-ray Flourescence Spectrometry (XRF) by Ultra Trace Limited at Canning Vale Laboratory, Perth Australia.

Table 2: Makambo Prospect – Hematite Schist Drill Intersections.

Hole Details							Intersection			Head Assay					LOI	Oxidation State
Hole ID	Easting	Northing	RL	Dip	Azimuth	E.O.H	From	To	Length	Fe	Al_2O_3	SiO_2	P	S	%	
	UTM WGS84 Zone 28			*Degrees*		*m*	*m*	*m*	*m*	*%*	*%*	*%*	*%*	*%*		
MPRC143	771,000	971,601	94	-55	270	77	2	12	10	20.3	11.2	52.7	0.02	0.010	3.5	Oxide
							24	30	6	19.7	12.1	48.8	0.05	0.005	4.6	Fresh
MPRC144	770,601	972,901	97	-50	360	150	16	66	50	31.8	5.7	42.8	0.12	0.002	2.2	Transitional
MPRC146	771,435	971,801	84	-50	270	150	0	4	4	30.2	11.6	35.9	0.05	0.069	7.3	Oxide
							14	26	12	25.5	8.8	49.2	0.04	0.002	2.6	Fresh
MPRC148	771,100	971,595	91	-50	270	150	0	4	4	36.3	11.8	27.4	0.02	0.040	6.8	Oxide
MPRC149	771,199	971,598	84	-50	270	150	0	6	6	20.6	13.4	48.3	0.05	0.037	6.1	Oxide
							58	70	12	24.9	7.1	50.0	0.23	0.003	1.4	Fresh
MPRC150	771,049	971,797	99	-51	270	150	0	8	8	32.4	8.5	39.1	0.02	0.009	3.7	Oxide
							74	82	8	22.0	6.5	48.3	0.08	0.003	3.8	Fresh
MPRC151	771,161	971,804	88	-49	270	150	0	6	6	29.3	13.3	35.2	0.04	0.052	7.8	Oxide
							38	52	14	24.6	10.2	44.4	0.07	0.007	4.3	Fresh
							56	70	14	32.6	5.1	39.5	0.09	0.013	2.3	Fresh
MPRC152	771,247	971,797	81	-50	270	150	0	4	4	23.4	9.6	48.5	0.05	0.056	6.2	Oxide
MPRC153	770,600	972,800	70	-53	0	150	20	26	6	19.7	11.2	53.9	0.03	0.003	3.2	Fresh
							32	48	16	19.5	10.9	54.8	0.03	0.003	3.2	Fresh
							76	82	6	37.8	4.5	36.7	0.12	0.002	0.9	Fresh
							98	118	20	26.5	6.1	44.2	0.11	0.003	3.2	Fresh
							122	148	26	26.0	6.2	45.6	0.14	0.002	2.6	Fresh
MPRC154	770,398	973,057	73	-51	0	150	0	4	4	37.8	8.7	30.1	0.03	0.026	5.5	Oxide
							10	20	10	33.8	6.5	40.7	0.02	0.002	1.9	Oxide
							30	56	26	34.0	6.0	39.2	0.05	0.002	2.0	Fresh
							124	150	26	29.1	7.1	44.1	0.03	0.014	1.2	Fresh
MPRC155	770,395	972,953	75	-51	0	150	24	36	12	23.1	9.8	51.5	0.02	0.002	2.8	Fresh
							48	92	44	26.8	6.6	45.7	0.07	0.003	2.7	Fresh
MPRC156	770,203	973,099	70	-51	0	132	0	8	8	32.4	8.1	39.1	0.02	0.017	3.6	Oxide
MPRC157	770,209	973,029	67	-51	0	150	0	8	8	19.3	14.1	49.5	0.02	0.022	5.7	Oxide
							20	26	6	37.8	5.6	34.7	0.03	0.002	2.2	Fresh
MPRC158	770,393	972,859	72	-50	0	150	68	92	24	26.3	6.3	44.4	0.08	0.004	2.6	Fresh

Hole Details							Intersection			Head Assay					LOI	Oxidation State
Hole ID	Easting	Northing	RL	Dip	Azimuth	E.O.H	From	To	Length	Fe	Al_2O_3	SiO_2	P	S	%	
	UTM WGS84 Zone 28			Degrees		m	m	m	m	%	%	%	%	%		
MPRC159	770,192	972,901	81	-52	0	150	96	112	16	25.4	6.4	47.3	0.22	0.012	1.9	Fresh
MPRC161	770,789	972,856	91	-50	360	150	56	88	32	25.6	6.0	46.5	0.13	0.002	1.9	Fresh
							98	104	6	17.3	8.6	54.7	0.29	0.011	1.6	Fresh
MPRC164	770,399	972,745	93	-51	0	150	122	150	28	25.7	6.3	46.6	0.10	0.002	2.6	Fresh
MPRC165	770,199	972,798	85	-51	0	150	146	150	4	18.9	7.7	51.9	0.06	0.010	2.8	Fresh
MPRC166	770,405	973,344	86	-52	0	150	0	34	34	38.0	5.2	36.2	0.03	0.003	1.9	Transitional
MPRC168	770,404	973,147	93	-52	0	150	0	4	4	24.7	19.1	33.5	0.06	0.056	10.5	Oxide
MPRC171	770,604	973,201	95	-51	0	102	0	8	8	16.6	19.4	45.4	0.04	0.030	9.0	Oxide
MPRC174	769,800	973,275	70	-51	0	106	0	22	22	19.8	8.5	57.0	0.07	0.009	2.9	Oxide
MPRC175	769,800	973,400	70	-51	0	102	0	4	4	22.9	16.1	40.1	0.04	0.045	8.8	Oxide
							12	18	6	36.4	5.7	38.5	0.03	0.008	2.0	Oxide
							32	40	8	18.6	10.9	55.8	0.09	0.005	2.8	Oxide
MPRC176	769,599	973,311	60	-51	0	140	62	72	10	25.0	5.9	47.4	0.12	0.001	3.4	Fresh
MPRC179	769,000	973,660	70	-50	0	150	136	142	6	28.7	4.0	47.8	0.15	0.001	1.7	Fresh
MPRC182	769,000	973,550	70	-51	0	150	70	82	12	23.7	8.3	52.1	0.07	0.002	2.2	Fresh
							90	116	26	23.4	7.2	51.7	0.06	0.001	2.5	Fresh
MPRC185	769,200	973,630	70	-51	0	150	42	46	4	26.5	6.1	44.3	0.17	0.003	2.6	Fresh
MPRC187	769,200	973,530	70	-50	0	150	100	104	4	21.3	6.8	48.7	0.11	0.003	2.9	Fresh
MPRC188	769,400	973,610	70	-50	0	136	0	12	12	22.1	16.1	42.8	0.04	0.028	6.2	Oxide
MPRC192	770,550	971,795	71	-50	270	144	0	10	10	34.1	10.0	31.2	0.03	0.023	5.6	Oxide
MPRC193	770,650	971,798	69	-50	270	150	0	12	12	24.5	11.2	45.5	0.03	0.043	5.6	Oxide
							20	68	48	25.5	6.7	43.8	0.07	0.002	3.7	Transitional
MPRC196	770,541	971,968	60	-51	270	150	0	16	16	26.0	10.9	44.4	0.02	0.030	5.0	Oxide
MPRC197	770,574	972,225	55	-51	270	150	2	8	6	15.4	27.1	32.4	0.08	0.050	15.0	Oxide

Notes: Lower cut-off 15% Fe, minimum intersection 4m, maximum 5m internal waste. Hole collars surveyed by DGPS. Sample intervals are 2m composites except some diamond holes where selected sample lengths were varied to fit lithological boundaries. Intersections are down hole lengths, not true widths. Chemical analysis by X-ray Flourescence Spectrometry (XRF) by Ultra Trace Limited at Canning Vale Laboratory, Perth Australia.