

UPDATE ON TAX ASSESSMENT

Australian resources company Cape Lambert Resources Limited (ASX: **CFE**) (**Cape Lambert** or the **Company**) wishes to update shareholders in respect of payment obligations arising from the Notice of Amended Assessment from the Australian Taxation Office (**ATO**) together with an associated penalty notice (**Amended Assessment**) (refer ASX Announcements dated 18 May 2012 and 31 May 2012).

As previously advised to shareholders, the Company has met with an ATO Assistant Commissioner and has continued to liaise with the ATO in respect to the issues underlying the Amended Assessment with a view to achieving a resolution.

The ATO has confirmed that any recovery action in respect of the disputed Amended Assessment has been deferred until 30 September 2012.

The Company has lodged objections in relation to the Amended Assessment.

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
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

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